

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

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Hours per response.....4.07

Name of Investment Adviser: Lehman Brothers Asset Management LLC						
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone Number:
	190 South LaSalle Street	Chicago	IL	60603	(312)	325-7700

**This part of FORM ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any government authority.**

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(Schedule A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.

Applicant: Lehman Brothers Asset  
Management LLC

SEC File Number:  
801- 61757

Date:  
2/27/09

**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |                                     |   |     |   |
|-------------------------------------|---|-----|---|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services .....  | 100 | % |
| <input type="checkbox"/>            | (2) Manages investment advisory accounts not involving investment supervisory services.....   |     | % |
| <input type="checkbox"/>            | (3) Furnishes investment advice through consultations not included in either service described above...   |     | % |
| <input type="checkbox"/>            | (4) Issues periodicals about securities by subscription .....   |     | % |
| <input type="checkbox"/>            | (5) Issues special reports about securities not included in any service described above.....  |     | % |
| <input type="checkbox"/>            | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices<br>which clients may use to evaluate securities..... |     | % |
| <input type="checkbox"/>            | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities...  |     | % |
| <input type="checkbox"/>            | (8) Provides a timing service .....   |     | % |
| <input type="checkbox"/>            | (9) Furnishes advice about securities in any manner not described above.....  |     | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? . . . . . 

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

C. Applicant offers investment advisory services for: (check all that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges                                     | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees)       | <input checked="" type="checkbox"/> (6) Other  |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input checked="" type="checkbox"/> C. Investment companies             | <input checked="" type="checkbox"/> G. Other (describe on Schedule F)                                  |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)

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**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities                                       | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                             | <input checked="" type="checkbox"/> I. Options contracts on:               |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter                     | <input checked="" type="checkbox"/> (1) securities                         |
| <input checked="" type="checkbox"/> (3) Foreign issuers  | <input checked="" type="checkbox"/> (2) commodities                        |
| <input checked="" type="checkbox"/> B. Warrants  | J. Futures contracts on:   |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input checked="" type="checkbox"/> (1) tangibles                          |
| <input checked="" type="checkbox"/> D. Commercial paper  | <input checked="" type="checkbox"/> (2) intangibles                        |
| <input checked="" type="checkbox"/> E. Certificates of deposit                                 | K. Interests in partnerships investing in:                                 |
| <input checked="" type="checkbox"/> F. Municipal securities                                    | <input type="checkbox"/> (1) real estate                                   |
| <input type="checkbox"/> G. Investment company securities:                                     | <input type="checkbox"/> (2) oil and gas interests                         |
| <input type="checkbox"/> (1) variable life insurance   | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| <input type="checkbox"/> (2) variable annuities  | <input checked="" type="checkbox"/> L. Other (explain on Schedule F)       |
| <input checked="" type="checkbox"/> (3) mutual fund shares                                     |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |   |
|---|---|
| (1) <input type="checkbox"/> Charting               | (4) <input type="checkbox"/> Cyclical                                 |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical              |   |

B. The main sources of information applicant uses include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services   |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities   | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | Securities and Exchange Commission   |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (7) <input checked="" type="checkbox"/> Company press releases                         |
|   | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)                  |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |   |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input checked="" type="checkbox"/> Short sales  |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)**

**FORM ADV**  
**Part II - Page 4**

Applicant: Lehman Brothers Asset  
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**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ..... Yes No  
☒ ☐

(If yes, please describe these standards on Schedule F)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☒ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- ☐ C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |   |
|--|---|
| <input checked="" type="checkbox"/> (1) broker-dealer  | <input type="checkbox"/> (7) accounting firm  |
| <input checked="" type="checkbox"/> (2) investment company   | <input type="checkbox"/> (8) law firm   |
| <input checked="" type="checkbox"/> (3) other investment adviser   | <input type="checkbox"/> (9) insurance company or agency                                      |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant  |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                                    |
| <input type="checkbox"/> (6) banking or thrift institution   | <input checked="" type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.. Yes No  
☒ ☐

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)**

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Applicant: **Lehman Brothers Asset  
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**2/27/09**

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☒ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sell for itself securities it also recommended to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment advisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other condition for starting or maintaining an account?

Yes No  
☒ ☐

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory account, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Please see Schedule F.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Please see Schedule F.

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**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |                                     |                          |
|--|-------------------------------------|--------------------------|
|  | Yes                                 | No                       |
| (1) securities to be bought or sold? .....           | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? .....                     | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ..... 

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                                     |                                     |
|---|-------------------------------------|-------------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes                                 | No                                  |
|   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes                                 | No                                  |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?..... 

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)**

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
Lehman Brothers Asset  
Management LLC

SEC File Number:  
801- 61757

Date:  
2/27/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Lehman Brothers Asset Management LLC</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 1	<p>Lehman Brothers Asset Management LLC ("LBAM") is a direct, wholly-owned subsidiary of Lehman Brothers Holdings Inc. ("LBHI") and a related person to numerous LBHI subsidiaries. LBHI is an international financial services firm headquartered in New York. On September 15, 2008, LBHI announced that it filed a petition under chapter 11 of the U.S. Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York. Certain subsidiaries, including LBAM and other U.S. asset management subsidiaries were excluded from the chapter 11 filing. The Board of Directors of LBHI authorized the filing of the chapter 11 petition in order to protect its assets and maximize value. LBAM continues to conduct business as usual and does not expect to be subject to the bankruptcy case of its parent. LBAM's portfolio management, research and operating functions remain intact.</p> <p>LBHI subsequently sold the investment banking and capital markets operations and supporting infrastructure of Lehman Brothers Inc. ("LBI"), a broker dealer affiliated with LBHI, to Barclays Bank PLC, which lead to the filing of chapter 7 bankruptcy by LBI. On September 19, 2008, the United States District Court of the Southern District of New York ordered the liquidation of LBI under the Securities Investor Protection Act of 1970. The liquidation was commenced to ensure the orderly transfer of customer assets to other broker dealers in connection with the sale of certain LBHI assets to Barclays Capital Inc.</p> <p>On December 3, 2008, a group consisting of portfolio managers, the management team and senior professionals ("Management") agreed to acquire LBAM the Neuberger Berman business and select alternative asset management businesses of LBHI's Investment Management Division. As part of the proposed transaction (the "Transaction"), a new, independent investment management company, tentatively to be named Neuberger Berman Group, LLC ("NBG") will be created in connection with the closing of the transaction. At the closing of the Transaction, 51% of NBG's common equity will be issued, or reserved for issuance, to a group consisting of portfolio managers, members of the senior management team and other senior professionals of IMD (the "Management Member") while 49% of NBG's common equity will be issued to LBHI and/or its affiliates. The Management Members will have to the right to appoint a majority of NBG's Board of Directors. The acquisition is subject to certain bankruptcy, regulatory and/or other approvals and closing terms, as well as various legal entity formations, licensing, renaming and/or reorganizations restructurings. The Transaction is expected to close in the second quarter of 2009.</p> <p><b>ADVISORY SERVICES AND FEES</b> <u>Advisory Services</u></p> <p>LBAM a direct, wholly-owned subsidiary of LBHI provides "investment supervisory services" (as such term is defined in 1(A)(1) of this Part II) to its clients. LBAM offers a wide range of investment advisory services to meet the needs of its clients with diverse investment objectives.</p> <p>LBAM's investment supervisory services are provided on a discretionary basis, although LBAM provides nondiscretionary services under certain circumstances as further described below.</p> <p>Under normal circumstances, where LBAM has discretionary authority for an account, LBAM makes all investment decisions for an account and, when it deems appropriate and without prior consultation with the client, buys, sells, holds, exchanges, converts and otherwise trades in any fixed income securities, loans, other securities and other financial instruments, including, without limitation, derivatives, subject to any written investment guidelines as the client may from time to time deliver to LBAM. In addition, such authority generally allows LBAM to exercise any right incident to any securities or other assets (e.g., the right to vote) held in the account and to issue instructions to the client's custodian for the account for such purposes, as LBAM deems necessary and appropriate in the management of the account. With respect to a small number of clients, LBAM has ongoing responsibility to select securities or other investments that the account may purchase and sell based upon the client's needs, however, at the client's request, LBAM may be required to consult with the client before effecting any such purchases or sales for the client's account.</p>	

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
Lehman Brothers Asset  
Management LLC

SEC File Number:  
801- 61757

Date:  
2/27/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Lehman Brothers Asset Management LLC</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 1 (Continued)	<p>Client accounts are managed in a manner consistent with their performance objectives, investment horizon, risk tolerance, portfolio guidelines, constraints and restrictions, and the terms of the investment management agreement between LBAM and the client. Because LBAM may provide advice to a client regarding only a portion of such client's total assets, LBAM is not responsible for ensuring that such client's assets, viewed in their entirety, are sufficiently diversified. From time to time, LBAM may provide investment advisory services solely with respect to the liquidation of client assets.</p> <p>LBAM provides investment supervisory services in a number of product areas. Each product area has a specialty investment team devoted to it. Client portfolios are managed within these product areas and, when the client's portfolio can benefit by including additional resources in seeking to meet their investment objectives, across product areas. The investment teams work closely together to manage strategies that overlap different products. LBAM generally manages client portfolios against published and custom bond market benchmarks, and in strategies designed to achieve unique objectives. Within each product area, LBAM incorporates differing levels of risk management to meet client-specific needs. The product areas are:</p> <p>Cash and Short Term Duration Strategies: The focus is on investment strategies that utilize short term instruments and bonds with less than five years to maturity. The investment team that manages these strategies manage money market funds subject to the Investment Company Act of 1940, and money market funds subject to foreign regulation, as well as mandates within separately managed accounts with broader discretion to utilize securities with longer maturities.</p> <p>Municipal Strategies: The investment team within this product group manages this strategy within registered money market funds, bond funds, separate accounts utilized for cash management as well as intermediate and longer-duration strategies. The investment objectives of this strategy are preservation of capital as well as the maintenance of sufficient liquidity to meet the clients' needs and competitive after-tax returns.</p> <p>Leveraged Asset Management: This product group includes both high yield and leveraged loan asset strategies. The high yield strategy focuses on investing in non-investment grade fixed income securities for accounts that permit full discretion to invest across broad credit tiers as well as accounts that are limited in terms of minimum credit rating. The leveraged loan strategies are applied to the management of structured investment products and separate accounts as well as managing allocations within client portfolios to senior bank debt.</p> <p>Investment Grade Strategies: Includes strategies that span a continuum from highly structured portfolios with tight risk constraints to those that provide broad discretion with less focus on tracking error variability. Emerging Market Strategies: Includes the management of assets dedicated to emerging markets and to managing emerging market securities within the context of broader mandates.</p> <p>Global Bond Strategies: The focus is on non-dollar denominated investments for mandates for which such investments either represent the entire portfolio or a component thereof.</p> <p>Quantitatively Driven Strategies: Includes a broad array of strategies that incorporate internally developed quantitative investment models.</p>	

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**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
Lehman Brothers Asset  
Management LLC

SEC File Number:  
801- 61757

Date:  
2/27/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Lehman Brothers Asset Management LLC</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 1 (Continued)	<p>LBAM is registered with the National Futures Association as a Commodity Trading Adviser. LBAM currently uses commodity futures and options contracts to a limited extent and for bona fide hedging purposes only. The use of futures contracts is solely incidental to its primary business of providing fixed income securities advice. These financial instruments are used as a means of refining the implementation of strategies originating from analyses of the cash fixed income market, most specifically duration and yield curve management. In implementing these strategies, LBAM will primarily utilize interest rate futures and options contracts on Treasury notes and bonds, Federal Funds and Eurodollars.</p> <p>LBAM also provides discretionary portfolio management and non-discretionary security recommendations in the form of a model portfolio for the separately managed account/wrap fee investment advisory programs ("wrap programs") listed in Schedule D, Section 5.1(2) of LBAM's Form ADV Part I, including wrap programs that are organized and administered by the financial institutions listed in Schedule D, Section 5.1(2) of LBAM's Form ADV Part I and "private-labeled" by third-party investment adviser sponsors.</p> <p>In a typical wrap program, a client enters into an agreement with the sponsor of the wrap program and is able to select various individually managed separate account investment strategies from various investment managers. The sponsor, or in the case of "private-labeled" wrap programs, the financial institution that created, provides and/or services the wrap program platform, maintains advisory/sub-advisory agreements with the various managers available in the program. In certain programs, the fees and services may be unbundled and LBAM may enter into an investment advisory agreement directly with each client. In a typical wrap program, the various managers, such as LBAM, provide discretionary portfolio management services with respect to program clients on an individually managed account basis. For certain wrap programs the sponsor of the wrap program or overlay portfolio manager receives non-discretionary security recommendations in the form of model portfolios from various managers. In such model programs, the program sponsor or overlay manager typically exercises sole investment discretion for program client accounts based on its own judgment.</p> <p>Client information, including investment profile and risk tolerances, is typically obtained from the client by the program sponsor. The various managers, including LBAM, typically rely exclusively on suitability determinations and information gathered by the program sponsor.</p> <p><b>Advisory Fees</b></p> <p>LBAM offers both asset-based and performance based fee arrangements. Fees are generally calculated and payable quarterly, in some cases in advance and in others in arrears, based on the total market value of the account (including cash, cash equivalents and accrued interest).</p> <p>LBAM's standard investment management agreement may be terminated by LBAM or the client generally with prior written notice of at least 30 days. In the event LBAM begins managing an account during a fee calculation period, the investment management fee payable for such period will be pro-rated based on the portion of the period that LBAM actually managed the account. In the event of termination of an account, where a client has paid LBAM in advance of rendering services, LBAM will refund the portion of the fee paid allocable to the period following termination of the account. LBAM may also negotiate termination and other contractual provisions that are client account specific. Unless directed by the client, fees are typically adjusted to reflect material contributions to and withdrawals from accounts.</p> <p>Although variable fee structures may be negotiated, the following schedules reflect annual fees charged by LBAM for institutional single client accounts and account minimums. Fees for subadvisory accounts and commingled accounts, including investment company accounts, may differ.</p>	

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
Lehman Brothers Asset  
Management LLC

SEC File Number:  
801- 61757

Date:  
2/27/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Lehman Brothers Asset Management LLC</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 1 (Continued)	<p>Core Bond</p> <p>Minimum account size \$50mm</p> <p>First \$50mm      30 bps</p> <p>Next \$100mm     25 bps</p> <p>Next \$100mm     20 bps</p> <p>Next \$250mm     15 bps</p> <p>Balance            12 bps</p> <p>Core Plus Bond</p> <p>Minimum account size \$50mm</p> <p>First \$50mm      35 bps</p> <p>Next \$100mm     25 bps</p> <p>Next \$100mm     20 bps</p> <p>Next \$250mm     15 bps</p> <p>Balance            12 bps</p> <p>Enhanced Index/Enhanced Mortgage</p> <p>Minimum account size \$50mm</p> <p>First \$50mm      10 bps</p> <p>Next \$100mm     8 bps</p> <p>Next \$350mm     4 bps</p> <p>Next \$500mm     3 bps</p> <p>Next \$1000mm   2.25 bps</p> <p>Next \$500mm     2 bps</p> <p>Balance            1.75 bps</p> <p>Passive Index/Passive Government</p> <p>Minimum account size \$50mm</p> <p>First \$50mm      8 bps</p> <p>Next \$100mm     6.5 bps</p> <p>Next \$350mm     3.2 bps</p> <p>Next \$500mm     2.5 bps</p> <p>Next \$1000mm   1.8 bps</p> <p>Next \$500        1.6 bps</p> <p>Balance            1.4 bps</p> <p>Liability Driven Investing</p> <p>Minimum account size \$50mm</p> <p>First \$50mm      30 bps</p> <p>Next \$100mm     25 bps</p> <p>Next \$100mm     20 bps</p> <p>Balance            15 bps</p>	

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
Lehman Brothers Asset  
Management LLC

SEC File Number:  
801- 61757

Date:  
2/27/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Lehman Brothers Asset Management LLC</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 1 (Continued)	<p>Full Market High Yield</p> <p>Minimum account size \$50mm</p> <p>First \$50mm      50 bps</p> <p>Next \$150mm     40 bps</p> <p>Balance           30 bps</p> <p>Bank Loan</p> <p>Minimum account size \$50mm</p> <p>First \$50mm      50 bps</p> <p>Next \$150mm     40 bps</p> <p>Balance           30 bps</p> <p>TIPS</p> <p>Minimum account size \$50mm</p> <p>First \$100mm     15 bps</p> <p>Next \$200mm     10 bps</p> <p>Balance           8 bps</p> <p>Global Fixed Income</p> <p>Minimum account size \$50mm</p> <p>First \$50mm      40 bps</p> <p>Next \$100mm     30 bps</p> <p>Next \$100mm     25 bps</p> <p>Balance           20 bps</p> <p>Emerging Market Debt</p> <p>Minimum account size \$50mm</p> <p>First \$50mm      60 bps</p> <p>Next \$50mm      50 bps</p> <p>Balance           45 bps</p> <p>Emerging Market Debt/Local Currency</p> <p>Minimum account size \$50mm</p> <p>First \$50mm      70 bps</p> <p>Next \$50mm      60 bps</p> <p>Balance           50 bps</p> <p>Short Duration</p> <p>Minimum account size \$50mm</p> <p>First \$50mm      20 bps</p> <p>Next \$50mm      15 bps</p> <p>Next \$150mm     12 bps</p>	

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**Schedule F of  
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Continuation Sheet for Form ADV Part II**

Applicant:  
Lehman Brothers Asset  
Management LLC

SEC File Number:  
801- 61757

Date:  
2/27/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Lehman Brothers Asset Management LLC</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 1 (Continued)	<p>Next \$250mm    10 bps Balance        8 bps</p> <p>ABS Enhanced LIBOR (AAA) Minimum account size \$50mm First \$50mm    16 bps Balance        12 bps</p> <p>Taxable Cash Minimum account size \$100mm First \$100mm   15 bps Next \$100mm   10 bps Balance        8 bps</p> <p>Enhanced Cash Minimum account size \$100mm First \$100mm   16.5 bps Next \$150mm   12 bps Next \$250mm   10 bps Balance        8 bps</p> <p>Municipal/Tax Exempt Mandates Minimum account size \$2mm First \$5mm     40 bps Next \$15mm    30 bps Next \$30mm    27.5 bps Next \$100mm   25 bps Next \$100mm   20 bps Next \$250mm   15 bps Balance        12 bps</p> <p>There are some instances in which a performance based fee is negotiated.</p> <p>With respect to the wrap programs, clients typically pay a single all-inclusive "wrap" fee to the wrap program sponsor, which generally covers, among other things, advisory, portfolio management, brokerage execution and custodial services. Certain services, including performance review and reporting, may be performed by the wrap program sponsor, platform provider and/or other service providers. The sponsor's wrap fees, which are described in the sponsor's wrap program brochure, are typically asset based and range between 1.00% and 1.75%. In a typical wrap program LBAM receives asset based portfolio management fees from the program sponsor/platform provider, which generally range between 0.25% and 0.35% annually. In the model wrap program that LBAM advises, LBAM receives an asset based advisory fee from the program sponsor of 0.22% annually. The minimum account size may vary by program and is typically \$100,000 - \$250,000. In certain programs, the fees and services may be unbundled and LBAM may enter into an investment advisory agreement directly with each client. For such unbundled account, the minimum account size is typically \$2,000,000 and LBAM receives asset based investment management fees from the client of 0.30% annually.</p>	

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Applicant:  
**Lehman Brothers Asset  
Management LLC**

SEC File Number:  
**801- 61757**

Date:  
**2/27/09**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Lehman Brothers Asset Management LLC</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 2	<p><b>TYPES OF CLIENTS</b></p> <p>LBAM provides investment management services to institutional accounts, including qualified pension and profit sharing plans, other retirement plans, government entities, corporations, insurance companies, charitable foundations, endowments, trusts, private investment companies, collateralized loan obligation vehicles (CLOs), collateralized debt obligation vehicles (CDOs) and individuals.</p> <p>LBAM serves as subadviser to both affiliated and unaffiliated registered investment companies. LBAM also serves as investment adviser or subadviser to foreign-domiciled clients, including foreign investment companies not subject to the Investment Company Act of 1940.</p>	
Item 3	<p><b>TYPES OF INVESTMENTS</b></p> <p>LBAM provides portfolio management services with respect to a wide variety of investments, including, but not limited to: equity securities (both exchange-listed and over-the-counter), corporate debt securities, asset-backed securities, loan assets, commercial paper, bank certificates of deposit and money market instruments, municipal securities, mutual fund shares, U.S. Government securities, securities of foreign (non-US) issuers, warrants, put and call options, option contracts on securities and commodities, real estate investment trusts (REITS), other alternative investments, and future contracts on tangibles and intangibles.</p> <p>LBAM may invest in securities or loans denominated in currencies other than the US dollar. These assets may be issued by sovereign entities and corporations.</p>	
Item 4	<p><b>METHODS OF ANALYSIS, SOURCES OF INFORMATION AND INVESTMENT STRATEGIES</b></p> <p>Virtually 100% of decision-making research is generated internally. However, LBAM obtains research information from a variety of sources. For instance, LBAM purchases historical data such as interest rates, credit spreads, and default rates from various data providers. This information may be incorporated into the firm's research process.</p> <p>Proprietary research is a crucial element of LBAM's investment process, and is the basis for virtually all of its investment decisions. LBAM's research discipline incorporates three broad steps: (1) understanding market expectations as they are priced, (2) developing its own outlook against which to evaluate market expectations, and (3) establishing a confidence level in its view that is supported by thorough fundamental analysis.</p> <p>We have also developed and/or purchased quantitative based tools and frameworks that we integrate directly into our process. These tools and frameworks are based on fundamental investment concepts and relationships that are consistent with our philosophy.</p>	
Item 5	<p><b>EDUCATION AND BUSINESS STANDARDS</b></p> <p>Individuals whose functions relate to providing investment advice to clients are chosen by LBAM based on multiple criteria including, but not limited to, prior professional experience and educational background.</p>	
Item 6	<p><b>EDUCATION AND BUSINESS BACKGROUND</b></p>	

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2/27/09

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Item of Form (identify)	Answer
Item 6 (Continued)	<p><b>TANK, BRADLEY</b></p> <p>Date of Birth: 09/29/1957</p> <p>EDUCATION: University of Wisconsin Madison, Wisconsin 1982 MBA University of Wisconsin Madison, Wisconsin 1980 BBA</p> <p>BUSINESS BACKGROUND: Lehman Brothers Asset Management LLC Chicago, IL 4/05 - Present Board Member, Chairman, CEO, Managing Director</p> <p>Lincoln Capital Chicago, IL 6/03 - 04/2005 Board Member, Chairman, CEO, Managing Director</p> <p>Lehman Brothers Inc. New York, NY/Chicago, IL 12/02 - Present CIO, Global Head of Fixed Income Asset Management</p> <p>Strong Capital Management Menomonee, Wisconsin 1990 - 2002 Director of Fixed Income</p> <p>Salomon Brothers New York, NY/Chicago, IL 1980 - 1990 Vice President, Fixed Income</p> <p><b>BENJAMIN, ANN</b></p> <p>Date of Birth: 02/25/1958</p> <p>EDUCATION: Carnegie Mellon University Pittsburgh, Pennsylvania 1985 MPM Chatham College Pittsburgh, Pennsylvania 1980 BA</p> <p>BUSINESS BACKGROUND: Lehman Brothers Asset Management LLC Chicago, IL 4/05 - Present Managing Director, Co-Head Leveraged Asset Management</p>

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2/27/09

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

**Lehman Brothers Asset Management LLC**

IRS Empl. Ident. No.:

Item of Form (identify)	Answer
Item 6 (Continued)	<p>Lincoln Capital Chicago, IL 1997 - 04/2005 Head of High Yield</p> <p>Stein Roe Chicago, IL 1989 - 1997 Portfolio Manager</p> <p>Allstate Insurance Company Chicago, IL 1988 - 1989 Portfolio Manager</p> <p>Westinghouse Credit Corporation Pittsburgh, PA 1985 - 1988 Portfolio Manager</p> <p><b>DONOHUE, JOHN</b></p> <p>Date of Birth: 02/19/1970</p> <p>EDUCATION: Assumption College Worcester, Massachusetts 1998 MBA Saint Anselm College Manchester, New Hampshire 1992 BA</p> <p>BUSINESS BACKGROUND: Lehman Brothers Asset Management LLC Boston, MA 4/05 - Present Managing Director, Head of Taxable Cash Management</p> <p>Lincoln Capital Boston, MA 2003 - 04/2005 Senior Vice President, Head of Taxable Cash Management</p> <p>Opus Investment Management Worcester, MA (Allmerica Asset Management) 1995 - 2003 Vice President, Portfolio Manager</p>

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Lehman Brothers Asset Management LLC</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 6 (Continued)	<p><b>FIorenza, Janet</b></p> <p>Date of Birth: 06/09/1949</p> <p>EDUCATION: Attended St. John's University Queens, New York</p> <p>BUSINESS BACKGROUND: Neuberger Berman, LLC New York, NY 2005 - Present Managing Director, Head of Municipal Investment Management</p> <p>Weiss Peck &amp; Greer New York, NY 1980 - 2005 Co-Head of Municipal Securities</p> <p>Culbro Corporation New York, NY 1978 - 1980 Executive Assistant</p> <p>Donaldson, Lufkin &amp; Jenrette, Inc. New York, NY 1973 - 1978 Fixed Income Research</p> <p><b>GLomski, Terrence</b></p> <p>Date of Birth: 07/08/1950</p> <p>EDUCATION: University of Illinois Chicago, Illinois 1974 MA University of Illinois Chicago, Illinois 1972 BS</p> <p>BUSINESS BACKGROUND: Lehman Brothers Asset Management LLC Chicago, IL 4/05 - Present Managing Director, Portfolio Manager for Structured Products</p> <p>Lincoln Capital Chicago, IL 1992 - 04/2005 Fixed Income Portfolio Manager</p>	

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Lehman Brothers Asset Management LLC</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 6 (Continued)	<p>Franklin Savings Association Overland Park, Kansas 1988 - 1992 Fixed Income Portfolio Manager</p> <p>Banking Decision Systems Burlington, MA 1980 - 1988 Co-founder and Vice President</p> <p><b>HUMPHREY, RAYMOND</b></p> <p>Date of Birth: 11/04/1966</p> <p>EDUCATION: New York University New York, NY 1996 MBA Montclair State University Montclair, NJ 1989 BA</p> <p>BUSINESS BACKGROUND: Lehman Brothers Asset Management LLC New York, NY 4/06 - Present Senior Vice President, Head of Global Fixed Income</p> <p>Brown Brothers Harriman New York, NY 7/89 - 4/06 Vice President, Portfolio Manager</p> <p><b>JOHNSON, ANDREW</b></p> <p>Date of Birth: 07/21/1962</p> <p>EDUCATION: University of Chicago Chicago, Illinois 1989 MBA Illinois Institute of Technology Chicago, Illinois 1985 MS Illinois Institute of Technology Chicago, Illinois 1984 BS</p> <p>BUSINESS BACKGROUND: Lehman Brothers Asset Management LLC Chicago, IL 4/05 - Present Managing Director, Head of Investment Grade Fixed Income</p> <p>Lincoln Capital Chicago, IL 1989 - 04/2005 Fixed Income Portfolio Manager</p>	

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Item of Form (identify)	Answer	
Item 6 (Continued)	<p>Illinois Bell Chicago, IL 1987 - 1989 Manager of Financial Planning and Analysis</p> <p>Northrop Defense Systems Division Rolling Meadows, IL 1986 - 1987 R&amp;D Engineer</p> <p><b>KNEE, RICHARD</b></p> <p>Date of Birth: 05/16/1956</p> <p>EDUCATION: University of California at Berkeley Berkeley, California 1980 MBA University of Notre Dame South Bend, Indiana 1978 BBA</p> <p>BUSINESS BACKGROUND: Lehman Brothers Asset Management LLC Chicago, IL 4/05 - Present Managing Director, Head of Investment Grade Portfolio Strategy</p> <p>Lincoln Capital Chicago, IL 1983 - 04/2005 Co-head of Investment Grade Fixed Income</p> <p>Harris Bank Chicago, IL 1982 - 1983 Fixed Income Portfolio Manager</p> <p>The First National Bank of Chicago Chicago, IL 1980 - 1982 Fixed Income Portfolio Manager</p> <p><b>KRAMER, THOMAS A.</b></p> <p>Date of Birth: 5/01/1960</p> <p>EDUCATION: Northwestern University Chicago, IL 1989 MBA Marquette University Milwaukee, WI 1982 BA</p>	

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Lehman Brothers Asset Management LLC</b>	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
<b>Item 6 (Continued)</b>	<p><b>BUSINESS BACKGROUND:</b>  Lehman Brothers Asset Management, LLC Chicago, IL  7/07 - Present  Managing Director, Co-Head Leveraged Asset Management</p> <p>LightPoint Capital Management Chicago, IL  2002 - 2007  Senior Managing Director, Chief Executive Officer</p> <p>ABN AMRO Bank Chicago, IL  2001 - 2002  Managing Director, U.S. Head of North American Leveraged Finance</p> <p>ABN AMRO Bank Chicago, IL  1996 - 2000  Senior Transactor and Team Leader</p> <p>GE Capital Chicago, IL  1995 - 1996  Senior Vice President and Team Leader</p> <p>First National Bank of Chicago Chicago, IL  1984 - 1995  Senior Transactor</p> <p><b>LEE, WAI</b></p> <p>Date of Birth: 9/30/1965</p> <p><b>EDUCATION:</b>  Drexel University Philadelphia, Pennsylvania 1994 PhD  Drexel University Philadelphia, Pennsylvania 1990 MBA  University of Hong Kong Hong Kong, China 1987 BSc</p> <p><b>BUSINESS BACKGROUND:</b>  Lehman Brothers Asset Management LLC New York, NY  6/04 - Present  Managing Director, Director of Quantitative Investments</p> <p>Credit Suisse Asset Management New York, NY  2000 - 2004  Head of Quantitative Engineering Group</p>

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

**Lehman Brothers Asset Management LLC**

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Item of Form (identify)	Answer
Item 6 (Continued)	<p>J.P. Morgan Investment Management New York, NY 1996 - 2000 Head of Quantitative Research &amp; Risk Management for Global Bonds</p> <p>Harvard Graduate School of Business Boston, MA 1994 - 1996 Postdoctoral Research</p> <p><b>SONTAG, THOMAS</b></p> <p>Date of Birth: 11/13/1959</p> <p>EDUCATION: University of Wisconsin Madison, Wisconsin 1982 MBA University of Wisconsin Madison, Wisconsin 1981 BBA</p> <p>BUSINESS BACKGROUND: Lehman Brothers Asset Management LLC Chicago, IL 4/05 - Present Managing Director, Portfolio Manager for Structured Products</p> <p>Lincoln Capital Chicago, IL 2004 - 04/2005 Fixed Income Portfolio Manager</p> <p>Strong Capital Management Milwaukee, WI 1998 - 2004 Portfolio Manager</p> <p>Bear Stearns Chicago, IL 1986 - 1998 Managing Director</p> <p>Goldman Sachs Chicago, IL 1982 - 1985 Fixed Income Division</p>

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Item of Form (identify)	Answer	
Item 8	<p>As described above, LBAM is directly and wholly owned by LBHI and is a related person to numerous LBHI subsidiaries. On September 15, 2008, LBHI announced that it filed a petition under chapter 11 of the U.S. Bankruptcy Code with the United States Bankruptcy Court of the Southern District of New York. LBHI subsequently sold the investment banking and capital markets operations and supporting infrastructure of Lehman Brothers Inc. ("LBI"), a broker dealer affiliated with LBHI, to Barclays Bank PLC, which lead to the filing of chapter 7 bankruptcy by LBI. On September 19, 2008, the United States District Court of the Southern District of New York ordered the liquidation of LBI under the Securities Investors Protection Act of 1970. Although historically LBAM had business relationships with LBI that were material to its advisory business or clients, due to LBHI's bankruptcy and the LBI liquidation proceedings LBAM believes such arrangements are no longer material.</p> <p>LBAM serves as an investment adviser to accounts of various affiliates as further described herein. LBAM serves as a subadviser to separate accounts managed by Neuberger Berman, LLC ("NB, LLC") and registered investment companies for which Neuberger Berman Management LLC ("NBM") serves as investment adviser. Both NB, LLC and NBM are affiliates of LBAM. LBAM also serves as subadviser to both separate accounts and foreign private investment vehicles advised by Lehman Brothers Asset Management (Europe) Limited, an affiliated investment adviser of LBAM and licensed with the UK Financial Services Authority. From time to time, LBAM serves as adviser or subadviser to investment-related limited partnerships, limited liability companies or other private investment vehicles structured and/or managed by LBAM's affiliates. Pursuant to an investment advisory agreement with Lehman Brothers Trust Company, N.A., LBAM serves as a subadviser to a portfolio of the Lehman Brothers Trust Company, N.A. Collective Investment Trust, which is a collective trust vehicle for qualified trusts. Lehman Brothers Trust Company, NA is a wholly-owned subsidiary of LBHI.</p> <p>In managing portfolios, LBAM may draw on the portfolio management, trading, research, compliance, operational and administrative resources of affiliate organizations. Depending upon the strategy, investment professionals from the affiliate organization may have decision making roles. When drawing on the resources of affiliates as described herein, LBAM and its officers and employees may be subject to certain of its affiliate organizations' policies and procedures. Further, subject to the written consent of the client, LBAM may engage any of its investment advisory affiliates as a subadviser to manage certain client accounts. LBAM's U.S. investment advisory affiliates are listed in Part I, Item 7.A of this Form ADV.</p> <p>LBAM employees may also be officers and/or registered representatives of one or more affiliates. In such capacity, they may sell or provide identical or similar products and/or services as LBAM, including, but not limited to, portfolio management, sales, or client service.</p> <p>Affiliates of LBAM also serve as the general partner in partnerships in which LBAM's clients may from time to time be solicited to invest. Those partnerships where LBAM also acts as the adviser or subadviser invest in asset-backed securities and loans. Further information about the partnerships where affiliates of LBAM serve as the general partner is available in Section 7.B of Schedule D of LBAM and its affiliated SEC-registered investment advisers' Form ADVs.</p>	

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Item of Form (identify)	Answer	
Item 9	<p>LBAM is not a broker or dealer. LBAM does not generally execute transactions on behalf of its clients with affiliated brokers on an agency basis. In the event LBAM were to execute an agency transaction on behalf of a client with an affiliated broker, LBAM would only do so if it had received prior written authorization from the client and only in accordance with all applicable laws and regulations, including the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Such transaction would only be executed if the affiliated broker provided best price and best execution under the circumstances. In addition, LBAM does not generally engage in principal transactions on behalf of itself or its affiliates with LBAM's clients. If LBAM were to engage in such affiliated principal transactions, subject to the</p> <p>From time to time, employees of LBAM who are registered representatives of affiliated broker dealers and LBAM's related persons may recommend to LBAM's clients that they buy or sell securities in which LBAM or a related person has a financial interest or may recommend to make an investment in an investment-related limited partnership, limited liability company or other private investment vehicle structured and/or managed by LBAM or its related persons and/or where LBAM's related persons have a proprietary investment.</p> <p>LBAM or its related persons may also buy or sell for itself securities it also recommends to clients.</p> <p>Furthermore, LBAM may invest client accounts in securities or other assets of companies with which LBAM has a business relationship, whether client, broker, vendor or investment consultant.</p> <p>The existence of these relationships may create the appearance of a conflict. LBAM's policies and procedures together with its investment process seek to ensure that all accounts are managed consistent with their investment objectives and guidelines and consistent with LBAM's fiduciary obligations.</p> <p>LBAM participates in a comprehensive compliance program and has adopted policies and procedures which impose certain conditions and restrictions on transactions for both client and employee accounts. LBAM instills in its employees an awareness of the fiduciary principles, which govern the advisory business and a sensitivity to conflicts of interest that may arise as a result of our business. The firm has adopted a Code of Ethics ("COE"), which addresses: standards of business conduct, compliance with applicable federal securities laws and regulations, insider trading, and personal investments by employees. LBAM employees are required to report all covered transactions quarterly, annually disclose all individual security holdings, annually certify that they have read, understood and complied with the COE and acknowledge receipt of any amendments to the COE. Clients or prospective clients may request a copy of the COE by contacting the Compliance Department at (312) 627 4315.</p> <p>LBAM's COE is clear that LBAM and its affiliated investment advisers and their respective employees are expected to put the interests of clients first. If an investment opportunity that is deemed suitable for clients presents itself, the interests of clients is always the primary consideration. Employees must at all times place the interests of clients ahead of the company's and his or her personal interests. Priority must be given to client trades over proprietary and personal transactions. All personal securities transactions must be conducted in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility. In addition, LBAM's standard form of investment management agreement contains disclosure that LBAM and its affiliates and their respective directors, officers and employees may purchase or sell any security for its or their own accounts prior to, simultaneously with, or subsequent to any recommendation or action taken with respect to a client account, and that no obligation is imposed on LBAM to purchase or sell for a client account any security which LBAM or any of its affiliates or their respective directors, officers and employees may purchase or sell for its or their own accounts. However, such transactions are subject to the principles set out in LBAM's COE. Any proprietary interests of LBAM or its related</p>	

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Applicant:  
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Lehman Brothers Asset Management LLC</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 9 (Continued)	persons in investment-related limited partnerships, limited liability companies or other private investment vehicles structures and/or managed by LBAM are disclosed in the offering documents relating to the sale of interests in such vehicles.	
Item 10	<p><b>CONDITIONS FOR MANAGING ACCOUNTS</b></p> <p>LBAM has different minimum account sizes based upon strategy and management vehicle (e.g., separate account versus commingled account) type. See Schedule F, Item 1. LBAM may, however, lower an account minimum at its discretion based on factors such as a pre-existing relationship with a client, its affiliate or consultant as well as the reasonable potential for additional contributions to the account.</p>	
Item 11	<p><b>REVIEW OF ACCOUNTS</b></p> <p>At the portfolio management level, portfolio managers and traders are responsible for ensuring that the portfolio is in compliance with internal guidelines, as well as guidelines established by the client. As such, the investment professionals responsible for trading are the first step in maintaining compliance with investment guidelines and investment policy. Because portfolio managers can access online portfolio data, which is updated daily for each portfolio, they are able to "drill down" from sector to individual security in order to assess compliance with client guidelines.</p> <p>LBAM will provide periodic reports to clients regarding the status of their accounts based on the needs of the individual client. Such reports may vary among client accounts based on size and type of account or client.</p>	
Item 12	<p><b>INVESTMENT OR BROKERAGE DISCRETION</b></p> <p>LBAM strives to add value in client accounts while minimizing return dispersion across accounts with similar investment mandates. The LBAM Trade allocation policy requires that all clients are treated in a fair and equitable manner throughout the trade allocation process and each client has the ability to participate in investment decisions when deemed appropriate.</p> <p>There are no specific limitations on the securities to be bought or sold or the amount of such securities to be bought or sold for a particular account, unless client's guidelines state otherwise. When determining allocations, and ultimately the amount of securities to be bought or sold, considerations are given to client suitability and guidelines, cash availability, strategy and/or product considerations, issuer and / or sector exposure, and de minimis allocation.</p> <p>LBAM will frequently aggregate trades (buys and sells) for a client with other LBAM clients when it is determined that such aggregation should result in more favorable trade execution.</p> <p>LBAM permits the simultaneous management of separate accounts, mutual funds, and alternative funds (hedge funds) by the same portfolio manager. LBAM recognizes the potential conflict of interest a manager might have in the side-by-side management of accounts. Appropriate policies have been designed to ensure all clients are treated in an equitable manner. Testing and verification of LBAM's adherence to these policies are an integral part of the LBAM compliance program.</p>	

**(Complete amended pages in full, circle amended items and file with execution page (page 1)).**

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
Lehman Brothers Asset  
Management LLC

SEC File Number:  
801- 61757

Date:  
2/27/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Lehman Brothers Asset Management LLC</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 12 (Continued)	<p>Clients grant LBAM full discretion to purchase and sell securities and to select the broker-dealer. LBAM looks to the overall quality of service provided by the broker and will consider many factors when making a selection for execution. It is LBAM's policy to use its best efforts to obtain the best price on every trade given all of the relevant circumstances. In addition to price, traders will also consider the size of the transaction, liquidity of both the security and the market, the broker's ability to provide and/or find liquidity, time limitations, and confidentiality of the transaction. LBAM will also utilize electronic trading networks when they can provide liquidity and price improvement over and above what is available through traditional methods of execution.</p> <p>LBAM's policy is to not direct soft dollar credits to individual brokers or dealers on behalf of fixed income clients. For those LBAM clients whose mandates include equity portfolio management and who have authorized affiliates of LBAM to act as broker, LBAM may utilize its affiliate NB, LLC's trading desk to execute such transactions. For transactions executed by NB, LLC its soft dollar policies will apply. Further information on NB, LLC's soft dollar practices is available in Part II of NB LLC's Form ADV.</p> <p>LBAM has adopted a policy and procedures for correcting trade errors. LBAM's policy and procedures regarding trade errors requires that all errors affecting a client's account be resolved promptly and fairly. The intent of the policy is to restore a client account to the appropriate financial position considering all relevant circumstances surrounding the error.</p>	
Item 13	<p><b>ADDITIONAL COMPENSATION</b></p> <p>LBAM has written agreements with affiliated and unaffiliated persons pursuant to which LBAM may pay such persons a cash referral fee in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940 for the referral of client accounts. All such arrangements are disclosed to the applicable clients.</p>	
Notice of Proxy Voting Policy & Procedure	<p>Holders of fixed income securities generally do not have proxy voting rights. Because LBAM primarily trades fixed income securities for its clients, proxy voting is a limited process. If given authority to vote client proxies, LBAM has adopted a set of policies and procedures in the event proxy voting rights attach to securities in accounts managed by LBAM. LBAM will exercise its voting authority over client securities (where applicable) in a manner that serves the best interests of the client as determined by LBAM in its discretion and pursuant to factors described in the Policy. The Policy also contains other more specific procedures that LBAM intends to follow with respect to various routine and non-routine related matters. Investors may request a copy of the Policy and the voting records relating to Proxies by contacting LBAM</p>	

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Item of Form (identify)	Answer	
Privacy Policy	<p>Lehman Brothers Asset Management LLC (LBAM) was built on trust. When you become a client of ours, you not only entrust us with your assets but also with certain personal and financial data. We believe that this information is, and should remain, private and confidential. Our Privacy Policy is designed to help you understand how LBAM and its affiliates strive to protect your nonpublic, personal information while providing you with the best possible service.</p> <p>LBAM or its affiliates collect and maintain nonpublic, personal information LBAM or its affiliates receives from you directly, on applications, other forms or websites of LBAM or affiliates, and from your transactions with unaffiliated parties and us. This information includes, for example, your name, address, Social Security or tax identification number, assets, income, financial needs and goals and account balances and transactions, including transactions with unaffiliated parties. LBAM or its affiliates use this information to process your requests and transactions, to provide you with additional information about LBAM or affiliates' products and services, or to evaluate your financial needs. In order to provide you with LBAM's or its affiliates' full range of brokerage, investment advisory and other financial services, LBAM may otherwise share the nonpublic, personal information we collect with our affiliates on a limited basis. <b>Under no circumstances will LBAM or its affiliates sell information about you or your LBAM account to any unaffiliated company, group, or individual.</b></p> <p>In order to service your account in an efficient and professional manner, LBAM or its affiliates may need to share the information we collect from you with unaffiliated parties. LBAM or its affiliates also may use unaffiliated parties such as mail houses to assist in sending you information about our products and services. In these cases, LBAM and its affiliates strive to work only with those businesses that adhere to the same high standards of client service and privacy that we do. LBAM and its affiliates maintain legal agreements with unaffiliated parties to require that they safeguard your privacy. LBAM and its affiliates restrict access to your nonpublic, personal information to only those employees, agents and unaffiliated parties who need to know the information in order to process your transactions or to provide services or products to you or us. Of course, if you ask us to provide your information to a trusted third party such as your accountant or attorney, LBAM or its affiliates are glad to oblige. Additionally, on some occasions LBAM or its affiliates may disclose information because we are legally required to do so or in other legally limited circumstances (for example, to protect your account from fraud or in legal proceedings).</p> <p>Last but not least, LBAM and its affiliates maintain physical, electronic, and procedural safeguards that comply with applicable federal standards to guard your nonpublic, personal information. LBAM and its affiliates regularly evaluate our technology in an effort to ensure that the safeguards we have in place maintain a high level of security and confidentiality for your personal information.</p> <p>If you have any questions about our Privacy Policy, please do not hesitate to contact your LBAM representative.</p>	

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Client Notification	<p>On April 28, 2003, the SEC, the New York State Attorney General's Office, the New York Stock Exchange and the NASD agreed to a settlement (the "Federal Settlement"), together with the North American Securities Administrators Association on behalf of U.S. state and territorial securities regulators, to resolve their industry-wide investigations relating to allegations of conflicts of interest between investment banking and equity research at various investment banking firms, including Lehman Brothers. The activities forming the basis of the Federal Settlement did not involve any conduct of Lehman or any of its affiliates related to their investment advisory activities. The Federal Settlement became effective on October 31, 2003, under which Lehman Brothers will, without admitting or denying the allegations made in the complaint, (i) pay \$25 million in penalty, (ii) pay \$25 million as disgorgement of commissions and other monies, (iii) contribute \$25 million spread over five years to provide third-party independent research to clients, (iv) contribute \$5 million towards investor education, (v) adopt internal structural and operational reforms that will further augment the steps it has already taken to promote research analyst independence, and (vi) be enjoined from the rule violations alleged in the complaint.</p> <p>Simultaneous with the execution of the Federal Settlement, or within a reasonable period thereafter, Lehman Brothers and ten other investment banking firms have entered into settlement agreements (the "State Settlements") with each of the states of the United States, the District of Columbia and Puerto Rico. The State Settlements, each of which are based on the Federal Settlement, are all effective and were individually negotiated and executed pursuant to a final administrative order issued by such state or province, independent of the execution thereof by other states and provinces. Pursuant to the Federal Settlement and in the manner set forth in the Final Judgment, Lehman Brothers will pay an aggregate of \$25 million in connection with the resolution of the State Settlements.</p> <p>On May 31, 2006, the SEC issued an administrative order pursuant to a settlement with more than a dozen broker-dealer firms, including Lehman Brothers, resolving its industry-wide investigation relating to certain aspects of the auction rate securities business (the "Settlement Order"). The activities forming the basis for the Settlement Order did not involve any conduct related to any investment advisory activities of Lehman Brothers or its affiliates. Lehman Brothers and the other firms consented to the Settlement Order without admitting or denying its findings (except as to the SEC's jurisdiction). The Settlement Order: (i) found that Lehman Brothers and the other firms violated Section 17(a)(2) of the Securities Act of 1933; (ii) censured Lehman Brothers and the other firms; (iii) ordered Lehman Brothers and the other firms to cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) of the Securities Act of 1933; (iv) ordered Lehman Brothers and the other firms to pay civil monetary penalties (\$1.5 million in Lehman Brothers' case); and (v) ordered Lehman Brothers and the other firms to make certain disclosures concerning their auction rate securities practices, and to certify that they have made such disclosures and implemented procedures reasonably designed to prevent and detect failures to conduct their auction processes in accordance with such disclosures</p>	

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