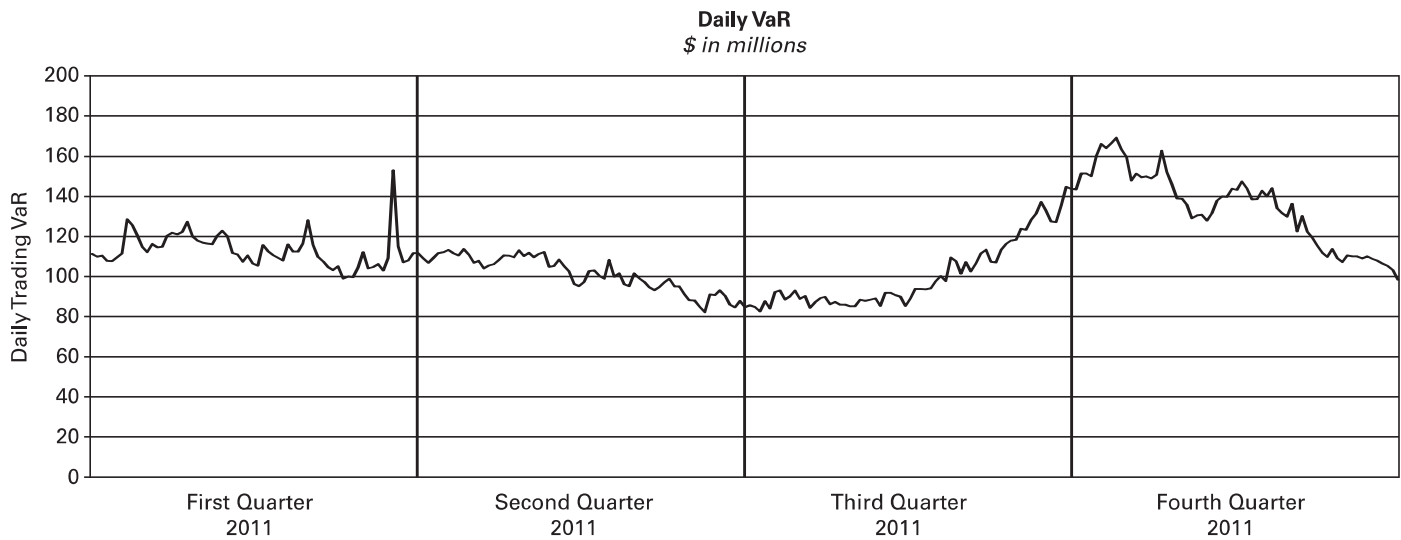


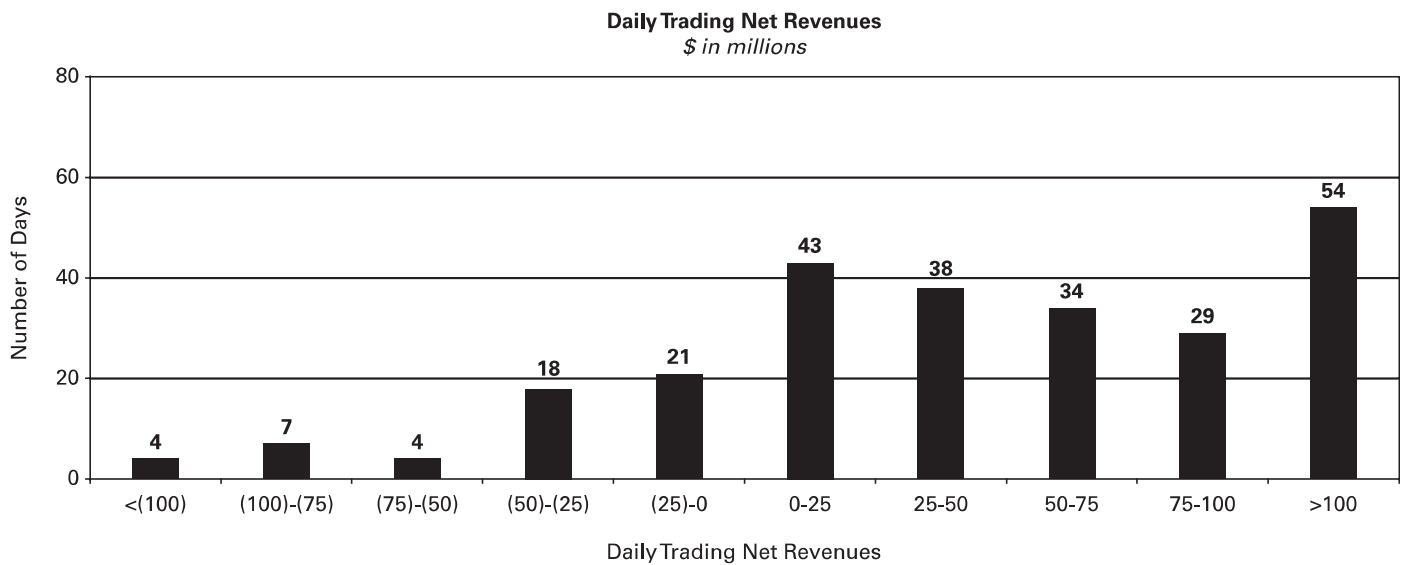
Management's Discussion and Analysis

The chart below reflects the VaR over the last four quarters.



The chart below presents the frequency distribution of our daily trading net revenues for substantially all

inventory positions included in VaR for the year ended December 2011.



Daily trading net revenues are compared with VaR calculated as of the end of the prior business day. The firm incurred trading losses on a single day in excess of our 95%

one-day VaR (i.e., a VaR exception) on three occasions during 2011 and on two occasions during 2010.