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Sent: 1/7/2014 11:55:06 AM
To: jeevacation@gmail.com
CC: [REDACTED]; Paul Morris [REDACTED]; Vinit Sahni [REDACTED]; Vahe Stepanian
Subject: Recommendations.... [C]

Classification: Confidential

Jeffrey -

Looking forward to seeing you Friday for complete position review and current, actionable recommendations from your DB team (cc'ing Vinit who will join us from London by phone).

In the interim consider the following:

Haze

- Redeem ~\$2.7mm JP High Yield Mutual (OHYFX) - you made ~19% total return over your hold, (down ~3.5% on price)

Southern Financial

- Sell 750k face JPM 6% fixed-to-float perpetual preferred, floats only at 3moL+330bps in '22 - you're down just ~84bps total return basis, doesn't comp well
- Sell 1.4mm face GE 5.25% fixed-to-float perpetual preferred, floats only at 3moL+296.7bps '23 down
- You own 397k euros, earn no interest, consider EURUSD Deposit Plus. Ex: EURUSD, euro on deposit, 2-week duration, 3% annualized yield, ~1.373 strike vs. 1.36 spot ref. (for comparison, short dated periphery bond spreads have come in, as you know. ex: spanish 10/15 bond ~100bps)

After the year-end rally, consider an entry point on the knock-out put on the Eurostoxx50 we had talked about vs. your basket of single names that you currently own (still at JP at the moment). Following the record-beta year we just had, we think relative value, alpha, and L/S, will be integral to absolute returns. Refreshed pricing on the KO Put overlay here, please let us know.

Structure: Client buys Knock-out Put Eurostoxx50

Underlying: SX5E
Currency: Euro
Notional: 10mm
Tenor: 13-months
Put Strike: 100%
Barrier: 80% (observed at maturity only)
Offer: 3.97% (vs vanilla at 8.92%)

Indicative levels only. Subject to market movement. Source: DB Equity Derivatives, 1/7/14



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