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**From:** Stewart Oldfield [REDACTED]  
**Sent:** 1/29/2018 5:39:59 PM  
**To:** Paul Barrett [REDACTED]  
**CC:** Andrew King [REDACTED]  
**BCC:** [REDACTED]  
**Subject:** RE: DB - Harvest Collateral Yield Enhancement Strategy

Paul,

Given the recent uptick in vol, does it make sense to discuss this in any more detail? Hope all is well.

Thanks

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**From:** Paul Barrett [mailto:[REDACTED]]  
**Sent:** Tuesday, October 17, 2017 11:23 PM  
**To:** Andrew King <[REDACTED]>  
**Cc:** Stewart Oldfield <[REDACTED]>  
**Subject:** RE: DB - Harvest Collateral Yield Enhancement Strategy

Let's chat tomorrow

Paul

**Paul Barrett**

Alpha Group Capital LLC  
142 W 57<sup>th</sup> Street, 11<sup>th</sup> Floor, New York, NY 10019

[REDACTED] (o) [REDACTED] (c)



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**From:** Andrew King [mailto:[REDACTED]]  
**Sent:** Tuesday, October 17, 2017 12:25 PM  
**To:** Paul Barrett <[REDACTED]>  
**Cc:** Stewart Oldfield <[REDACTED]>  
**Subject:** RE: DB - Harvest Collateral Yield Enhancement Strategy

Paul,

You're right that the returns have been around 70bps since Dec 2013. However, it's important to note that this is an overlay strategy, and doesn't require additional capital outlay. Due to this, all returns are incremental to the return that you would also earn on your collateral.

Additionally, the strategy has a 25% margin requirement. Depending on the margin release available on the underlying collateral, you're able to increase your exposure to the strategy up to ~4x on a given amount of collateral. Of course, this would increase the potential return and risk, but would also maintain the favorable Sharpe ratio and low correlation to equities. As an example, on a given amount of collateral, 3x exposure would result in 210bps of incremental return over the past four years.