Subject: Risk Premia Solution...
From: Tazia Smith <[redacted]>
Date: Thu, 07 Dec 2017 09:37:12 -0500
To: Gene Lynch <[redacted]>
Cc: Stewart Oldfield <[redacted]>,
Xavier Avila <[redacted]>,
Martin Zeman <[redacted]>,
Joshua Shoshan <[redacted]>,
Davide-A Sferrazza <[redacted]>,
Vahe Stepanian <[redacted]>,
Alison-T Sinicropi <[redacted]>

Good Morning Gene –

Recall our risk premia discussions from earlier this year. I appreciate that Bill had ‘pressed pause’ on the alternative beta and market-neutral replacement conversation, but my colleagues have solved for a note implementation solution – cusip can be booked into your current account – as opposed to the swap or Deutsche Asset Management fund implementations that we were discussing in the spring.

We currently have an anchor order for a 10x levered note on a 5% target vol, multi asset portfolio with 90% put protection. I thought this underlying exposure was very relevant for your risk/return objectives, AND the implementation is simplified!

See below/attached. We will give you a call to discuss.

All Our Best,

Tazia

DB Delta One Full Capital at Risk Note Linked to a Leveraged Risk Premia Basket Portfolio

Format   DB Senior Unsecured Note

Trade Date [ ] Dec 2017

Issue Date [ ] Jan 2018

Maturity 2yrs

Notional Minimum USD [1]mio

Payout Maturity Notional * [1 + Performance * 10]

Performance Max [-10.00%, Basket Performance – Basket Protection Fee]

Basket Performance Final Basket / Initial Basket - 1

Basket Protection Fee TBD on Trade Date [expected 1% to 1.50%]

Basket Definition Risk Premia Multi-Asset Class 5% Target Volatility Portfolio will be subject to changes in exchange rates, which may have an adverse effect on the value, price or income return of the products. These products may not be readily realizable investments and are not traded on any regulated market. Additional risks to consider involve interest rates, currencies, credit, political, liquidity, time value, commodity and market risks. Please consider carefully before investing.

Most structured products are only available to certain investors who qualify as "Accredited Investor" as defined in the Regulation D under the Securities Act of 1933, as amended ("the Securities Act"), and/ or "Qualified Purchasers" as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended ("the Investment Company Act"). In addition, prospective investors must sign the Structured Products Account Agreement and Approval Form affirming investor status as well as other matters.

From: Audie Apple
Sent: Wednesday, May 03, 2017 11:36 AM
To: Gene Lynch <[redacted]>
Cc: Stewart Oldfield <[redacted]>; Tazia Smith <[redacted]>
Subject: RE: Checking in

Hi Gene. Thanks for the note. And thank you for taking the time to dig into the subject. We really appreciate your consideration!

We will keep you posted on any interesting developments in the space that might be of interest.

As you continue to revisit items for further investigation, I want to emphasize that in general clients are implementing risk premia portfolios because these portfolios have essentially zero correlation/beta to equity markets. I think this point can get lost easily since our presentation book introduces the concept with a simple portfolio constructed from 4 risk premia that are equity-based. The trend in the industry is to build risk premia portfolios across asset classes in a way that focuses specifically on diversifying cyclical exposures like equities (public or private) and real estate.

Thank you again Gene.

Best Regards,

Audie

From: Gene Lynch [mailto:[redacted]]
Sent: Friday, April 28, 2017 3:53 PM
To: Audie Apple
Cc: Stewart Oldfield; Tazia Smith
Subject: RE: Checking in

Thanks for checking in Audie. Ran this in addition to a bunch of things by Bill and I think we're on pause for the time being. Not really adding to any equity-type exposure at the moment.

Best,

Gene

From: Audie Apple [mailto:[redacted]]
Sent: Wednesday, April 26, 2017 3:08 PM
To: Gene Lynch
Cc: Stewart Oldfield; Tazia Smith
Subject: Checking in

Hi Gene. I hope you are well.

When we last spoke a few weeks ago you mentioned running the risk premia conversation past a colleague for further investigation. I think Bill? (Can't recall the name for certain).

I just wanted to check and see if you thought it might be helpful to arrange a time for a brief intro conversation on the subject with him or any other colleagues that might have an interest.

Thank you again for your time Gene.

Best regards,

Audie
