

Subject: Re: DB - Harvest Collateral Yield Enhancement Strategy
From: Paul Barrett <[REDACTED]>
Date: Fri, 13 Oct 2017 19:35:56 -0400
To: Andrew King <[REDACTED]>
Cc: Stewart Oldfield <[REDACTED]>

Thanks Andrew. Will review.

Paul Barrett

Alpha Group Capital LLC

[REDACTED] New York, NY 10019
[REDACTED]
[REDACTED]

On Oct 13, 2017, at 5:03 PM, Andrew King <[REDACTED]> wrote:

> Paul,

I'm an Investment Specialist on Stew Oldfield's team at DB. During your last meeting with Stew, you had discussed a managed option strategy on our platform: the Harvest Collateral Yield Enhancement Strategy (CYES). As a follow-up, I thought I would send more information for your review.

As background, CYES is an overlay that seeks to exploit the volatility risk premium and time decay properties of options by actively managing a portfolio of short-dated index option spreads on the S&P 500 index. The strategy sells options to generate premium while purchasing further out of the money options to contain risk. In a disciplined manner, the strategy seeks to mitigate exposure to market directional risk by defensively adjusting positions in response to a large move or reducing exposure ahead of specific market events.

The strategy enables an investor to add an incremental return stream to their existing portfolio, and the potential diversification benefit provided

by the strategy's historically low correlation to equities. It requires no capital outlay and instead uses an investor's existing portfolio as collateral. The strategy is implemented through a separately managed account (SMA) with complete transparency and daily liquidity.

Harvest is an established leader in managed option strategies. It was founded in April 2008 and has over \$10BN in AUM. The strategy is managed by an experienced team of 15 investment professionals that have deep trading and portfolio management backgrounds and have demonstrated success through the global financial crisis and other market events.

If you have any questions or would like to discuss further, please just let me know.

There are risks associated with investing in this strategy, please see slide 20 of the attached presentation for a summary of risks.

Best regards,
Andrew King

<image001.gif>

Andrew King, CFA
Vice President I Investment Solutions Group

Deutsche Bank Securities Inc.
Deutsche Bank Wealth Management
[REDACTED] New York, NY 10154

Tel. [REDACTED]
Mobil [REDACTED]
Email [REDACTED]

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<Harvest Presentation - August 2017.pdf>

<Harvest Factsheet - August 2017.pdf>