

Subject: RE: Call Report - Southern Financial Meeting - 09/02/2015 [I]
From: Paul Morris <[REDACTED]>
Date: Tue, 08 Sep 2015 12:13:57 -0400
To: Daniel Sabba <[REDACTED]>

Classification: For internal use only

Thanks

Paul Morris

Managing Director

Deutsche Bank Private Bank

0 [REDACTED]
C [REDACTED]

From: Daniel Sabba
Sent: Friday, September 04, 2015 12:43 PM
To: KCP-Americas; Paul Morris; Stewart Oldfield; Chip Packard
Cc: Todd Stevens; Vahe Stepanian; Ariane Dwyer
Subject: Call Report - Southern Financial Meeting - 09/02/2015 [I]

Classification: For internal use only

Call Report Search Tool

Report

Date

09/02/2015

Contact Type

Meeting

Client

Southern Financial

Attendees

Jeffrey Epstein, Todd Stevens, Daniel Sabba, Paul Morris

Topic (Summary)

Trade discussion, intro Todd to Jeffrey

Topic (Product Type)

Capital Markets

Conversation Notes

Introduction of Todd to Jeffrey. We discussed several trading topics. Jeffrey perceives the amount of fear in the market to be very high and thinks this explains the current dynamics of markets and US politics (particularly recent Trump performance in the primary).

Jeffrey also expressed his view that the marketplace for \$1bn+ families has

considerable room for improvement. In his opinion banks do not offer premier wealth planning services for the ultra-rich, while neither law firms services are not holistic to take in consideration client's investments as well as long term plans. He mentioned 20+ billionaires he interacted with in the past weeks and explained the overwhelming majority have very inefficient asset transfer structures and frequently end up defaulting to leaving their money to private foundations. He mentioned that over the next 15 years 1.2trillion will be transferred to a new generation which he perceives to be not as financially sophisticated as the generation who produced that wealth. He perceives there is a lack of sophisticated financial players to handled concentrated wealth of this level of magnitude.

We discussed hedges for jet fuel consumption of his plane fleet – he was particularly interested in that due to low energy prices. We discussed energy credit names as well as hedge equity exposures (MRK). In FX we discussed KRW, CNH and BRL – he mentioned he would like to revisit the KRW structures we sent out. Jeffrey believes FOMC will hike in September but was not interested in playing through interest rate derivatives which he considered more speculative.

We asked him for an update on Genapsys – he mentioned he would meet with George Church this week.

We discussed energy bonds that mature within the maturity wall of the issuers. He was interested in outright purchases as well as levered plays.

Follow Ups

Target Date

1

Proxy hedge for jet fuel

Sent

2

MRX hedged long exposure

Sent

3

Energy bonds

Sep 8

4

EM FX shorts (KRW, BRL)

Sep 8