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**Subject:** Investment Structures  
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Jeffrey,

Hope all is well.

Further to your meeting, HE Sheikh Hamad asked me to send you a summary of the 2 investment structures.

#### **EQUITY PUT OPTIONS;**

- Put option on the worst performing stock in a basket
- One year structure
- Coupon guaranteed irrespective of performance of the stocks in the basket.
- Put option strike at 70% of reference/spot
- Payoff if required in stock at 70% strike
- We identified 3 baskets based on stocks we are comfortable to own in a downside scenario at a 30% discount.
- Basket 1; BHP Billiton, Bank of America, Shell, BNP Paribas
- Basket2; Credit Suisse, General Motors, BASF, General Electric
- Basket 3; Barclays, Adidas, Siemens, Santander
- The coupon on the above baskets ranges between 8.5 – 9.5% without any leverage.
- Obviously you can select any stock of your preference in the basket. Stocks with higher volatility and less correlation will generate a higher coupon for the basket.

#### **FIXED INCOME;**

- We identified 20 investment grade names to place in a portfolio
- Given the uncertainty in the energy, commodity and bank sectors we selected some of these names to maximize returns
- 5 year structure
- Exposure through 5 year CDS
- Based on leverage we are able to generate double digit returns.
- The risk to the return is margin calls on the leverage if the value of the portfolio declines due to spreads widening.
- Principal risk is based on default in any of the credits in the portfolio which is limited to 5% per name.

I hope the above is useful. Please let me know if you have any questions.

Best

Shahzad.