

**From:** "Peggy Siegal" <[REDACTED]>

**To:** "Bernard Saint-Donat" <[REDACTED]>

**Subject:** Re: Investment Proposal

**Date:** Tue, 19 Feb 2013 13:40:38 +0000

**Importance:** Normal

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#1. I am just getting dressed and will call in an hour.

#2. This proposal is from Jason Bauman, the husband of book keeper Allison Bauman and something I am not doing.

He pursued me about investing my mother's money I recently received. I let him send a proposal...but have no intention of giving him my money to manage. Wanted to see his level of knowledge to show you...but I don't understand any of it anyway.

This is an example Bryan Bantry only taking his percentage my money from his negotiations from my film studios fees and not managing anything further.

#3. I have to send Jeffrey Epstein my mother's jewelry appraisals right now...

#4. I have to call that other business manager who represents Kevin Spacy...I am looking for his contact now.

More to come shortly. Peggy

Peggy Siegal Company

[REDACTED]

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**From:** Bernard Saint-Donat <[REDACTED]>

**Date:** Sun, 17 Feb 2013 18:57:42 -0500

**To:** <[REDACTED]>

**Subject:** Re: Investment Proposal

Peggy,

I think that this is backward looking. Bonds have peaked and there is very little upside left, in the bond market in general. Moving forward, the returns are not going as high as they have been in the past 5 years.

Pimco is a serious outfit and Bill Gross (the manager of these funds) is very famous.

I am using them somewhat getting in the instutional class but not for large percentage of portfolio. I am also using Double Line funds for total return strategies. (Geoffrey Gunlach).

I would not invest everything with one firm, PIMCO in this case.

Jason does not detail the fees he is charging, which is typical from a brokerage like Morgan Stanley. This guy is predominantly a sales man. You could access the Total Return Fund he is talking about through an ETF called BOND with an expense ratio of 55bps.

Bernard

On Feb 17, 2013, at 10:56 AM, Peggy Siegal <[REDACTED]> wrote:

This is from the husband of the girl that pays my bills, Allison and she works for Bryan. Can you explain this to me later? Peg

Peggy Siegal Company

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**From:** "Bauman, Jason S" <[REDACTED]>  
**Date:** Fri, 15 Feb 2013 16:10:51 -0500  
**To:** [REDACTED] <[REDACTED]>  
**Cc:** 'jeevacation@gmail.com' <jeevacation@gmail.com>  
**Subject:** FW: Investment Proposal

Hi Peggy

Just want to be sure you received my email from last night.

All the best  
Jason

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**From:** Bauman, Jason S (Wealth Mgmt MS)  
**Sent:** Thursday, February 14, 2013 11:05 PM  
**To:** [REDACTED]  
**Cc:** 'jeevacation@gmail.com'  
**Subject:** Investment Proposal  
**Importance:** High

Hi Peggy

I've created two investment proposals that are both keen to your desire to not be a risk taker with this money and looking to generate an income that is substantially outperforming the return on cash that you're currently getting. One proposal is a very conservative allocation and the second is if we were to take a slightly less conservative approach. Both proposals illustrate a hypothetical investment of \$1,000,000 made on March 31<sup>st</sup>, 2007 so they both include how you would have fared through the financial crisis of 2007-2008.

Some highlights:

**Proposal #1 - Conservative Allocation**

\$333,333,333 invested in the PIMCO Total Return Fund

\$333,333,333 invested in the PIMCO Income Fund

\$333,333,333 invested in the PIMCO Low Duration Fund

- During the time period of 3/31/2007 through 1/29/2013 the portfolio generated \$314,805 in income. This is an average of ~\$52,500 per year
- During the time period the average annual return was 8.04% with a cumulative return of 57.04%

**Proposal #2 – Conservative/Moderate Allocation**

\$333,333,333 invested in the PIMCO Total Return Fund

\$333,333,333 invested in the PIMCO Income Fund

\$333,333,333 invested in the PIMCO Unconstrained Bond Fund

- During this time period the portfolio generated \$239,561 in income. This is an average of ~\$40,000 per year
- During the time period the average annual return was 9.46% with a cumulative return of 51.35%

These portfolios are liquid so if you needed to gain access to cash you can.

The illustrations attached give detailed information on each strategy. Here's a brief description of each fund and of PIMCO:

**PIMCO Total Return Fund:** Aims to provide a combination of income, capital preservation and capital appreciation. This is PIMCO's anchor strategy managed by Bill Gross who is one of the most respected bond investors in the industry over the past 25 years. Invests in diversified bond securities including non-US securities. It can also invest in high-yield securities.

**PIMCO Income Fund:** Primary objective is to provide a high and consistent level of income. Invests in various fixed income instruments including US and non-US corporate and government securities, asset-backed securities and foreign currencies. The fund is designed for investors who need a steady income potential.

**PIMCO Unconstrained Bond Fund:** Seeks to deliver positive returns over full market cycles. The fund is not bound to any benchmark specific allocations this strategy allows the manager to make investments where it sees the best opportunity.

**PIMCO Low Duration Bond Fund:** Focuses on short-term securities. Invests in securities that mature in 1-3 years and seeks to outperform traditional money-market instruments and other short-term bond funds. It aims to do this by being carefully analyzing the sectors it invests in as well as the credit worthiness of the instruments it purchases.

I believe either of these strategies would accomplish our goal of creating a portfolio that is low risk and yet provide a significant income stream to you. Each strategy has also provided significant capital appreciation as well.

I think it would be in our best interest to look to implement a strategy sooner than later because, as we've discussed, continuing to sit in cash is doing us no good.

I really look forward to hearing back from you.

All the best  
Jason

**Jason S. Bauman, First Vice President**  
**Morgan Stanley Wealth Management**

**Visit my Website:** 

\* Morgan Stanley Smith Barney LLC

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