

**From:** "Barrett, Paul S" <[REDACTED]>  
**To:** Jeffrey Epstein <jeevacation@gmail.com>  
**CC:** "Giuffrida, David J" <[REDACTED]>  
**Subject:** RE:  
**Date:** Mon, 16 Jul 2012 19:58:09 +0000

Jeffrey

Here is a sample portfolio per your request. The below portfolio has the following characteristic:

Unlevered yield: 8.83%  
 Leverage Used: 16% (borrowed at 3M Libor + 100bps)  
 Leveraged Yield: 10.00%  
 Leveraged Notional: 116% (\$116,000,000)

- Returns for DoubleLine and Blackstone GSO are purely estimates

Proposed Portfolio				
				Leveraged Weight
High Yield				29.00%
	JPM High Yield Bond Fund			6.36%
Bank Preferreds/Lower Tier II Bonds				17.40%
	RBS 7.25% Pfds			8.50%
	Ally B Pfds			7.95%
	Rabobank 8.40% Pfds			7.85%
	Bank of America 8.125% Pfd			6.60%
	GE 7.125% Pfd			5.90%
Emerging Markets				11.60%
	PDVSA 5% 2015 (USD Denominated)			11.75%
	BRL Linked Market Plus Note (8% coupon / 25% At expiry Buffer)			8.00%
Equity Linked Notes				23.20%
	SP500 Linked CBEN (10% Coupon / 10% cap / 23% buffer)			10.00%
	Apple Linked CBEN (10% coupon / 20% Cap / 20% At expiry Buffer)			10.00%
	Starbucks Linked CBEN (11% coupon/15% cap/20% At expiry Buffer)			8.00%
Commodities				5.80%
	Oil (Brent) Linked CBEN Note (13% coup/20% buff)			13.00%
Alternatives				29.00%
	DoubleLine Mortgage Fund			12.00%
	Blackstone GSO Rescue Lending Fund			8.00%
Unleveraged Return				8.83%
Leveraged Gross Return				10.24%
Leverage	Borrow using a line of credit at a rate of	1.50%	Borrowed Amount	16%
<b>Leveraged Net Return</b>				<b>10.00%</b>

Paul Barrett, CFA  
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 [REDACTED]

**From:** Jeffrey Epstein [mailto:jeevacation@gmail.com]  
**Sent:** Sunday, July 15, 2012 7:58 PM  
**To:** Barrett, Paul S  
**Subject:**

I would appreciate it if someone in your shop put together a sample portfolio of funds and products for a 100 million dollar. structured to yield about 10%

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