

**From:** Tazia Smith <[REDACTED]>

**To:** jeevacation@gmail.com

**Cc:** Paul Morris <[REDACTED]>, Vinit Sahni <[REDACTED]>, Nav Gupta <[REDACTED]>, Vahe Stepanian <[REDACTED]>

**Subject:** Re: percentages get a read from your team [C]

**Date:** Tue, 04 Feb 2014 20:25:42 +0000

**Inline-Images:** unnamed; unnamed(1); unnamed(2); unnamed(3); unnamed(4)

---

Classification: Confidential

Jeffrey -

Summary below takes into account the DB team's feedback. We agree with overall themes. Commentary here, further implementation detail below and to follow:

- Specific recommendations for modifications to the thematic baskets (Please see Healthcare detailed below -back with specifics on each level)
- Propose allocation to US Tech equity (cognizant though that you have private equity investments)
- Propose additional opportunistic FX exposure (trades like your short CAD)
- Energy renaissance will include trades on crude, in addition to equities that are beneficiaries of secular shift in underlying energy supply, and supply chains (not just the nat gas theme in the US, but also companies like Hannon Armstrong (HASI) that finance energy efficiency)
- We are reviewing PO v IO mortgages with rates where they are.

|                                | <u>Proposed</u> | <u>Suggest</u> |     |
|--------------------------------|-----------------|----------------|-----|
| <u>US</u>                      |                 |                |     |
| Healthcare                     | 15              | 15             |     |
| Energy Renaissance             | 15              | 15             |     |
| Financials                     | 22              | 12             | -10 |
| Tech                           | 0               | 5              | +5  |
| S&P Barrier Note               | 0               | 5              | +5  |
|                                | 52              | 52             |     |
| <u>Europe</u>                  |                 |                |     |
| Single Stocks                  | 10              | 5              | -5  |
| European Credit                | 0               | 10             | +10 |
| Eurostoxx Barrier Note         | 10              | 5              | -5  |
|                                | 20              | 20             |     |
| <u>Japan</u>                   |                 |                |     |
| Single Stocks                  | 5               | 5              |     |
| Topix Swap (or Delta 1)        | 7               | 7              |     |
| Short Yen (premium)            | 13              | 5              | -8  |
|                                | 25              | 17             | -8  |
|                                |                 |                |     |
| <u>FX - Tactical (premium)</u> | 0               | 10             | +10 |
|                                |                 |                |     |
| <u>Alternatives</u>            | 8               | 1              | -7  |
|                                |                 |                |     |
|                                | 105             | 100            |     |

- Not a typo on Proposed total of 105; original just didn't include the single names in Japan

| US |                   |                     | Proposed        | Updated         | Current        | Total           |
|----|-------------------|---------------------|-----------------|-----------------|----------------|-----------------|
|    | <b>Healthcare</b> |                     |                 |                 |                |                 |
|    | <b>Equity</b>     | Bristol Myers       | \$ 2.50         | \$ 2.00         |                | \$ 2.00         |
|    |                   | Pfizer              | \$ 2.50         | \$ 2.00         |                | \$ 2.00         |
|    |                   | Merck               | \$ 2.50         | \$ 2.00         |                | \$ 2.00         |
|    |                   | Valeant             | \$ 1.50         | \$ 1.00         |                | \$ 1.00         |
|    |                   | Actavis             | \$ 1.50         | \$ 1.00         |                | \$ 1.00         |
|    |                   | Gilead              | \$ 1.50         | \$ 1.50         |                | \$ 1.50         |
|    |                   | Mylan               | \$ 1.00         | \$ 1.00         |                | \$ 1.00         |
|    |                   | Endo Health         | \$ 1.00         | \$ 1.00         |                | \$ 1.00         |
|    |                   | HCA                 | \$ 0.50         | \$ 1.00         |                | \$ 1.00         |
|    |                   | Rite Aid            | \$ 0.50         | \$ 0.50         |                | \$ 0.50         |
|    |                   | Foundation Medical  |                 |                 | \$ 0.70        | \$ 0.70         |
|    |                   | Ariad               |                 |                 | \$ 0.10        | \$ 0.10         |
|    |                   | Sangamo Biosciences |                 |                 | \$ 1.00        | \$ 1.00         |
|    |                   | Biogen              |                 | \$ 0.50         | \$ 0.60        | \$ 1.10         |
|    |                   | Agerion             |                 | \$ 0.50         |                | \$ 0.50         |
|    |                   | CVS                 |                 | \$ 1.00         |                | \$ 1.00         |
|    |                   | <b>Sub Total</b>    | <b>\$ 15.00</b> | <b>\$ 15.00</b> | <b>\$ 2.40</b> | <b>\$ 17.40</b> |



**Tazia Smith**

Director | Key Client Partners - US

Deutsche Bank Securities Inc  
Deutsche Asset & Wealth Management  
345 Park Avenue, 26th Floor  
New York, NY 10154



*Passion to Perform*

From: Jeffrey Epstein <jeevacation@gmail.com>  
To: Tazia Smith   
Date: 02/02/2014 08:59 PM  
Subject: percentages get a read from your team

---

| US                     |  |  |                 |
|------------------------|--|--|-----------------|
| <b>Healthcare</b>      |  |  |                 |
| Equity                 | Bristol Myers                                    |  | \$ 2.50         |
|                        | Pfizer   |  | \$ 2.50         |
|                        | Merck  |  | \$ 2.50         |
|                        | Valeant  |  | \$ 1.50         |
|                        | Actavis  |  | \$ 1.50         |
|                        | Gilead   |  | \$ 1.50         |
|                        | Mylan  |  | \$ 1.00         |
|                        | Endo Health                                      |  | \$ 1.00         |
|                        | HCA  |  | \$ 0.50         |
|                        | Rite Aid   |  | \$ 0.50         |
|                        | <b>Sub Total</b>                                 |  | <b>\$ 15.00</b> |
| <b>Energy</b>          |  |  |                 |
| Equity                 | Energy Renaissance Theme                         |  | \$ 15.00        |
|                        | <b>Sub Total</b>                                 |  |                 |
| <b>Financials</b>      |  |  |                 |
| Equity                 | Bank of America                                  |  | \$ 3.00         |
|                        | <b>Fixed-to-Float Preferreds* (QDI Eligible)</b> |  |                 |
|                        | JPM 6.75%, BBB, callable 2024                    |  | \$ 3.00         |
|                        | Citi - K 6.875% BB+, callable 2023               |  | \$ 3.00         |
|                        | Morgan Stanley - F 6.875%, BB+, callable 2024    |  | \$ 2.00         |
|                        | Ally - B 8.50%, B, callable 2016                 |  | \$ 1.00         |
|                        | <b>Sub Total</b>                                 |  | <b>\$ 9.00</b>  |
|                        | <b>Fixed Income</b>                              |  |                 |
|                        | Agency Interest Only Mortgages 5% Coupon         |  | \$ 5.00         |
|                        | Agency Interest Only Mortgages 4.5% Coupon       |  | \$ 5.00         |
|                        | <b>Sub Total</b>                                 |  | <b>\$ 10.00</b> |
|                        | <b>Total</b>                                     |  | <b>\$ 52.00</b> |
| Europe                 |  |  |                 |
| <b>Equity Recovery</b> |  |  |                 |
| Consumer               | Carrefour  |  | \$ 1.50         |
| Financial              | Intesa Sanpaolo                                  |  | \$ 1.50         |
| Auto                   | Volkswagen                                       |  | \$ 1.50         |
| Advertising            | JC Decaux  |  | \$ 1.50         |
| Staffing               | Adecco   |  | \$ 1.50         |
| Insurance              | Grupo Catalana                                   |  | \$ 0.50         |
| Healthcare             | Roche Holdings                                   |  | \$ 1.00         |
| Energy                 | Total  |  | \$ 1.00         |
|                        | <b>Sub Total</b>                                 |  | <b>\$ 10.00</b> |
|                        | Eurostoxx Barrier Note                           |  | \$ 10.00        |
|                        | <b>Total</b>                                     |  | <b>\$ 20.00</b> |
| Japan                  |  |  |                 |
| <b>Equity</b>          |  |  |                 |
| Financials             | Sumitomo   |  | \$ 0.50         |
| Insurance              | Mitsui Fudosan                                   |  | \$ 0.50         |
|                        | Daiichi Life                                     |  | \$ 0.50         |
| Consumer               | Seven and I                                      |  | \$ 0.50         |
|                        | Unicharm   |  | \$ 0.50         |
| Exporters              | Sumitomo Electric                                |  | \$ 0.50         |
|                        | Toyota   |  | \$ 0.50         |
|                        | Japan Tobacco                                    |  | \$ 0.50         |
|                        | Hitachi  |  | \$ 0.50         |
| Advertising            | Dentsu   |  | \$ 0.50         |
|                        | <b>Sub Total</b>                                 |  | <b>\$ 5.00</b>  |
|                        | TOPIX Delta One Note                             |  | \$ 7.00         |
|                        | <b>Foreign Exchange</b>                          |  |                 |
|                        | Long USD / Short Yen (\$5 hedge, \$8 spec)       |  | \$ 13.00        |
|                        | <b>Total</b>                                     |  | <b>\$ 20.00</b> |
| Alternatives           |  |  |                 |
| <b>Credit</b>          |  |  |                 |
|                        | Watford Re:                                      |  | \$ 8.00         |
|                        | <b>Total</b>                                     |  | <b>\$ 8.00</b>  |

\*\*\*\*\*

The information contained in this communication is confidential, may be attorney-client privileged, may constitute inside information, and is intended only for the use of the addressee. It is the property of Jeffrey Epstein

Unauthorized use, disclosure or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately by return e-mail or by e-mail to [jeevacation@gmail.com](mailto:jeevacation@gmail.com), and destroy this communication and all copies thereof, including all attachments. copyright -all rights reserved

--

This communication may contain confidential and/or privileged information. If you are not the intended recipient (or have received this communication in error) please notify the sender immediately and destroy this communication. Any unauthorized copying, disclosure or distribution of the material in this communication is strictly forbidden.

Deutsche Bank does not render legal or tax advice, and the information contained in this communication should not be regarded as such.