

Vanilla Dispersion on Global Basket

Passion to Perform

Vanilla Dispersion on Global Basket

Terms and Conditions



Instrument Type	OTC Option
Option Seller	Deutsche Bank AG, London Branch
Option Buyer	Southern Financial LLC
Currency	USD
Option Premium	2.4% X Notional Amount
Premium Payment Date	Strike Date + 3 (Three) Business Days
Notional Amount	USD 4,166,000.00
Trade Date	30-Jan-2015
Strike Date	30-Jan-2015
Expiry Date	18-Dec-2015
Settlement Date	Expiry Date + 3 Business Days

Underlying

k	Bloomberg Code	Reuters Code	Initial Level [Underlying (k,0)]
1	SPX Index	.SPX	1995.01
2	SX5E Index	.STOXX50E	3351.44
3	HSCEI Index	.HSCE	11,720.10
4	NKY Index	.N225	17,674.39
5	EEM UP Equity		39.02

Option Payout

Notional Amount × Max (0, Dispersion - Strike)

$$\text{Dispersion} = \frac{1}{5} \times \sum_{k=1}^5 |\text{Return}(k, T) - \text{Basket Return}(T)|$$

$$\text{Basket Return}(T) = \frac{1}{5} \times \sum_{k=1}^5 \text{Return}(k, T)$$

$$\text{Return}(k, T) = \frac{\text{Underlying}(k, T)}{\text{Underlying}(k, 0)} - 1$$

Underlying (k,T)	For k=1 to 5 The official closing price of Underlying k on Expiry Date
Strike	11.15%
Cash Settlement	Applicable
Settlement Currency	USD

Miscellaneous:

Business Days	TARGET Settlement Day
Calculation/Paying Agent	Deutsche Bank AG, London Branch
Governing Law	English Law
Jurisdiction Clearing Agent	London

Index Disruption Events:

Index Cancellation	Calculation Agent Adjustment
Index Modification	Calculation Agent Adjustment
Index Disruption:	Calculation Agent Adjustment

Additional Disruption Events:

Change in Law	Applicable – “Hedge Positions”
Hedging Disruption	Applicable
Increased Cost of Hedging	Applicable
Hedging Party	Deutsche Bank AG
Determining Party	Deutsche Bank AG

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