

From: Jeffrey Epstein <jeevacation@gmail.com>

To: Jeffrey Epstein <jeevacation@gmail.com>

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

Date: Wed, 05 Feb 2014 21:38:37 +0000

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

----- Forwarded message -----

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

Date: Tue, Feb 4, 2014 at 3:25 PM

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

To: jeevacation@gmail.com

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

Vahe Stepanian <[REDACTED]>

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
	Healthcare					
		Equity				
		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
		Sub Total	\$ 15.00	\$ 15.00	\$ 2.40	\$ 17.40



Tazia Smith

Director | Key Client Partners - US

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Passion to Perform

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

US			
Healthcare			
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
	Sub Total		\$ 15.00
Energy			
Equity	Energy Renaissance Theme		\$ 15.00
	Sub Total		
Financials			
Equity	Bank of America		\$ 3.00
	Fixed-to-Float Preferreds* (QDI Eligible)		
	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
	Sub Total		\$ 9.00
	Fixed Income		
	Agency Interest Only Mortgages 5% Coupon		\$ 5.00
	Agency Interest Only Mortgages 4.5% Coupon		\$ 5.00
	Sub Total		\$ 10.00
	Total		\$ 52.00
Europe			
Equity Recovery			
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
	Sub Total		\$ 10.00
	Eurostoxx Barrier Note		\$ 10.00
	Total		\$ 20.00
Japan			
Equity			
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
	Sub Total		\$ 5.00
	TOPIX Delta One Note		\$ 7.00
	Foreign Exchange		
	Long USD / Short Yen (\$5 hedge, \$8 spec)		\$ 13.00
	Total		\$ 20.00
Alternatives			
Credit			
	Watford Re:		\$ 8.00
	Total		\$ 8.00

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