

From: Tazia Smith <[REDACTED]>

To: jeevacation@gmail.com

Cc: Paul Morris <[REDACTED]>, [REDACTED], [REDACTED]

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

Date: Tue, 18 Feb 2014 17:49:55 +0000

Inline-Images: unnamed; unnamed(1); unnamed(2); unnamed(3); unnamed(4); unnamed(5); unnamed(6); unnamed(7); unnamed(8); unnamed(9)

Classification: Confidential

Jeffrey-

Would love to run through details of implementation. Could you give me a call when you have a moment? Or if you're back in NY I can run up and go through it in person.

Market rally last week (and Japan overnight, +3%) makes for a less opportune entry points on some of your asset classes. Healthcare's on a tear; you may have seen, Actavis, which is in the Healthcare basket we're looking to buy, is up ~8% after announcing a bid for Forrest Labs.

Tech and Energy look attractive for entry.

Ex: XLK currently \$36.15, XLK Jan15 36 risk reversal, collect ~\$0.40 net premium and create a synthetic long for \$35.60 (giving up dividends, of course)

Have details of tech and energy baskets we can review (single names and options)

Best,
Tazia

EFTA01177931

| | <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 | |

----- Forwarded by Tazia Smith/db/dbcom on 02/14/2014 12:09 PM -----

From: Tazia Smith/db/dbcom
To: Jeffrey Epstein <jeevacation@gmail.com>@DEUBAINT,
Cc: Paul Morris
Date: 02/14/2014 10:45 AM
Subject: Re: Fwd: percentages get a read from your team [C]

Classification: Confidential

Understood Jeffrey.

Implementation:

Today/Mon (and Tuesday in US due to holiday Mon) start with 1/4 positions (within that 50mm allocation) across the direct equities (healthcare, energy, financials, tech, Japan, Europe)

Topix TRS - add \$3.5mm usd notional via swap and indirect hedge = gives you capital efficient leverage (financing 3mL+70bps, ~20% initial collateral). OR buy another \$1mm of your **DXJ** (that position can represent your delta one allocation). Topix and DXJ charts below for your convenience.

Today or Tuesday: Barrier notes - if we can achieve comparable terms (vol has come in) on that eurostoxx50/russell 2k (13mo, worst of >10% contingent minimum return, uncapped upside, 80% barrier) = consider 2.5mm (leaves 2.5mm to put to

work in similar return profiles in europe and US)

FX = opportunistic

Let me know if this is implementation strategy works, or how you'd prefer.

Thanks!
Tazia

TOPIX 1yr Price History



DXJ 1yr Price History



Tazia Smith
 Director | Key Client Partners - US

Deutsche Bank Securities Inc
 Deutsche Asset & Wealth Management
 345 Park Avenue, 26th Floor
 New York, NY 10154
 Tel. +1 (212) 454-2889
 Fax +1 (646) 257-3131
 Mobile +1 (917) 327-4107
 Email [REDACTED]

Passion to Perform

From: Jeffrey Epstein <jeevacation@gmail.com>
 To: Tazia Smith/db/dbcom@DBAMERICAS,
 Date: 02/14/2014 10:20 AM
 Subject: Fwd: percentages get a read from your team [C]

----- Forwarded message -----
 From: Jeffrey Epstein <jeevacation@gmail.com>
 Date: Fri, Feb 14, 2014 at 4:13 PM
 Subject: Re: percentages get a read from your team [C]
 To: Jeffrey Epstein <jeevacation@gmail.com>

I agree with your changes lets look at 50 million dollars to start

On Fri, Feb 14, 2014 at 1:26 AM, Jeffrey Epstein <jeevacation@gmail.com> wrote:

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

From: **Jeffrey Epstein** <jeevacation@gmail.com>
Date: Fri, Feb 7, 2014 at 6:04 PM
Subject: Fwd: percentages get a read from your team [C]
To: Jeffrey Epstein <jeevacation@gmail.com>

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

From: **Jeffrey Epstein** <jeevacation@gmail.com>
Date: Wed, Feb 5, 2014 at 4:38 PM
Subject: Fwd: percentages get a read from your team [C]
To: Jeffrey Epstein <jeevacation@gmail.com>

----- 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.

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

Deutsche Bank Securities Inc
Deutsche Asset & Wealth Management
345 Park Avenue, 26th Floor
New York, NY 10154
Tel. [+1 \(212\) 454-2889](tel:+12124542889)
Fax [+1 \(646\) 257-3131](tel:+16462573131)
Mobile [+1 \(917\) 327-4107](tel:+19173274107)

Email [REDACTED]

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 |

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, 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.

--

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, and destroy this communication and all copies thereof, including all attachments. copyright -all rights reserved

--

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, and destroy this communication and all copies thereof, including all attachments. copyright -all rights reserved

--

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, and destroy this communication and all copies thereof, including all attachments. copyright -all rights reserved

--

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, and destroy this communication and all copies thereof, including all attachments. copyright -all rights reserved

--

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, 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.