
From: Stephen Hanson <[REDACTED]>
Sent: Monday, October 26, 2015 11:09 PM
To: jeffrey E.
Subject: Re: Proposed Portfolio

Tks. Will u be in town Tuesday --or after and have any free time

Sent from my iPad

On Oct 26, 2015, at 6:07 PM, jeffrey E. <jeevacation@gmail.com <mailto:jeevacation@=mail.com> > wrote:

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

From: Barrett, P=ul S <[REDACTED]>
Date: Mon, Oct 26, 2015 at 6=03 PM
Subject: Proposed Portfolio
To: Brad Wechsler <[REDACTED]>
Cc: Barrett Tea= <[REDACTED]> >>, "Jeffrey Epstein (<[REDACTED]>
jeevac=ion@gmail.com <mailto:jeevacation@gmail.com>)" <jeevacatio=@gmail.com
<mailto:jeevacation@gmail.com> >, "Nelson, Justin D" <[REDACTED]>
[REDACTED]

Brad,

Below would be our proposed investments breakdown for=\$20mm:

Theme

Proposed Investment

= \$ 2,500,0=0
= \$ 2,500,000
= \$ 2,500,000
= \$ 2,500,000
= \$ 6,000,000

= \$ 1,000,000

= \$ 3,000,000

&n=sp; \$ 20,000,000 =/u>

1.=nbsp; Consumer Discretionary:

Rising disposable income, lower oil prices, labor market strengthening and tame inflation should continue to boost confidence and spending.=/u>

Ticker

Name

OW<=>

130.00<=u>

OW<=>

135.00<=u>

OW<=>

162.00<=u>

OW<=>

127.00<=u>

OW<=>

10.00</=>

Source: Bloomberg, JPM 1=/26/2015

2.=nbsp; eGaming / Interactive Gaming: =/p>

There are more than 700 different eGames events annually (ESPN plans to broadcast an eGame event for the first time in 2016), with a fan base that exceeds 260 million people. 2015 marks the first year global games market sales are projected to overtake filmed entertainment bringing in \$91.5 billion and is forecast to rise to \$113 billion by 2018. Despite an addressable market many times larger than ten years ago, valuations for the leading gaming vendors are trading at significantly lower multiples than at the top of the last cycle.

Name

Rating<=>

Target<=>

ADR<=u>

UBISOFT ENTERTAINMENT

OW<=>

20.00</=>

UBSFY</=>

SQUARE ENIX HOLDINGS CO LTD

OW<=>

4000

&nb=p;

NINTENDO CO LTD

N

19,000.00<=>

NTDOY</=>

NVIDIA CORP

N

24.00</=>

&nb=p;

TENCENT HOLDINGS LTD

OW<=>

187.00<=u>

TCEHY</=>

Source: Bloomberg, JPM 1=/26/2015

3. Healthcare:

The percentage of the American population that is over 65 years old has increased from 13% in 2010 to an estimated 18% in 2025. Company pipelines have also become more robust with a 54% increase since 2007 in the number of drugs gaining FDA approval. We think the sell-off which was due to the practices of a few select companies was too broad and overdone. We would use this as an opportunity to add to our core names.

Name

Rating<=>

Target<=>

BRISTOL-MYERS SQUIBB CO

OW<=>

78.00</=>

PFIZER INC

OW<=>

40.00</=>

MERCK & CO. INC.

OW<=>

66.00</=>

Source: Bloomberg, JPM 1=/26/2015

4. Defense:

Geopolitical events in Russia, the Middle East and the South China Sea are forcing governments to quickly ramp up defense spending. Defense stocks are well positioned in a low-growth environment with high earnings visibility, improving defense budget outlooks, and good shareholder return.

Name

Rating<=>

Target<=>

GENERAL DYNAMICS CORP

OW<=>

169.00<=u>

NORTHROP GRUMMAN CORP

N

198.00<=u>

BOEING CO/THE

OW<=>

177.00<=u>

RAYTHEON COMPANY

OW<=>

130.00<=u>

LOCKHEED MARTIN CORP

N

225.00<=u>

Source: Bloomberg, JPM 1=/26/2015

5.=nbsp; Preferreds: (We would like to put one turn o= leverage on these in the margin account)

Preferreds performed quite well amidst recent market turbulence, with rap=d price and liquidity recovery. While Preferreds, as hybrid securitie=, might have been expected to experience more volatility during this period= we believe that the fundamental strength of bank balance sheets as well as the securit=es' fixed income duration (as rates rallied) cushioned the sector.&=bsp;The broader firm tone in the markets coupled with the fact that bank ea=nings season is largely completed and the market saw no preferred issuance is creating a strong technical backdrop fo= the assets.

Indicative Pricing

CUSIP=ISIN

Secur=ty

Ask P=ice

Ratin=s (Moody's/S&P)

Next C=ll Date

YLD t= NXT Call

Back=nd Coupon Reset

Inter=st Rate Duration

QDI /=DRD Eligible

Indus=ry Sector

Non-Call 5yr

&nb=p;

&=bsp;

38148BAB4

GS 5 3/8 Perp

99.500

Ba1 / BB

5/10/2020

= 5.50

3mL+392.2b=s

= 3.96

Yes / Ye=

Financial

617474AA9

MS 5.55 Perp

100.750

Ba1 / BB

7/15/2020

= 5.37

3mL+381bps=u>

= 4.13

Yes / Ye=

Financial

Non-Call 10yr

&nb=p;

&=bsp;

46625HJQ4

JPM 6 3/4 Perp

106.875

Baa3 / BBB-

2/1/2024

= 5.70

3mL+378bps=u>

= 6.35

Yes / Ye=

Financial

060505EN0

BAC 6.1 Perp

99.750

Ba2 / BB+

3/17/2025

= 6.13

3mL+389.8b=s

= 7.10

Yes / Ye=

Financial

172967JM4

C 5.95 Perp

96.875

Ba2 / BB+

5/15/2025

= 6.39

3mL+390.5b=s

= 7.02

Yes / Ye=

Financial

= Source: Bloomberg 10/2015 </=>

= p;

6. Frontier Communications:

FTR 8 ½% 04/15/20

Indicative Offer: 104.50

YTM: 7.30%

Frontier is the largest rural telecom company in the U.S., focused on providing services to small and medium-sized cities. With a market cap of \$5billion, FTR is the 5th largest U= wireline company. Over the last 5 years, FTR has increased revenue 5x, and has achieved geographic diversification & product mix through tactical acquisitions of broadband assets from both AT&T and Verizon. The bonds offer attractive relative value, picking up ~200bps vs. BB comps and ~50bps over single-B comps. Frontier issued \$6.6bn of bonds on September 11th to back its purchase of landline assets from Verizon Communications, a deal largely anticipated by the market. Post issuance, the supply overhang has now been virtually removed from the Frontier complex.

7. Structured Notes: In these volatile markets, we continue to like structured notes that provide protection on the downside coupled with unlimited upside or double-digit coupons. We will show these as we think pricing looks interesting.

<=pan style="font-size:8.0pt;font-family:"Verdana", "sans-ser="f";color:#5f5f5f">_____ = _____</=>

<=pan style="font-size:8.0pt;font-family:"Verdana", "sans-ser="f";color:#1f497d">Paul Barrett | Managing Director | Global Investment Opportunities Group | J.P. Morgan Securities LLC | J.P. Morgan Private Bank | <=>J.P. Morgan Chase Bank N.A.

320 Park Avenue, 14th Floor, New York, NY 10=22 | T: _____<tel:%28212%29%20622-2770> | paul.s.barr=tt@jpmorgan.com <mailto:paul.s.barrett@jpmorgan.com>

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