
From: jeffrey E. <jeevacation@gmail.com>
Sent: Monday, May 23, 2016 11:13 AM
To: Richard Kahn
Subject: Fwd: Investment Structures

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

From: Shahzad Shahbaz <[REDACTED]>
Date: Sun, May 22, 2016 at 6:20 AM
Subject: Inv=stment Structures
To: "jeffrey E." <jeevacation@gmail.com <mailto:jeev=cation@gmail.com> >

Jeffrey,

Hope all is well.

Further to your meeting, HE Sheikh Ha=ad asked me to send you a summary of the 2 investment structures.

EQUITY PUT OPTIONS;</=>

- * =C2* Put option on the worst performi=g stock in a basket
- * =C2* One year structure=/span>
- * =C2* Coupon guaranteed irrespective o= performance of the stocks in the basket.
- * =C2* Put option strike at 70% of refe=ence/spot
- * =C2* Payoff if required in stock at 7=% strike
- * =C2* We identified 3 baskets based on=stocks we are comfortable to own in a downside scenario at a 30% discount.=u>
- * =C2* Basket 1; BHP Billiton, Bank of =merica, Shell, BNP Paribas
- * =C2* Basket2; Credit Suisse, General =otors, BASF, General Electric

* =C2* Basket 3; Barclays, Adidas, Siemens, Santander

* =C2* The coupon on the above baskets ranges between 8.5 – 9.5% without any leverage.

* =C2* Obviously you can select any stock of your preference in the basket. Stocks with higher volatility and less correlation will generate a higher coupon for the basket.

FIXED INCOME;

* =C2* We identified 20 investment grade names to place in a portfolio

* =C2* Given the uncertainty in the energy, commodity and bank sectors we selected some of these names to maximize returns

* =C2* 5 year structure

* =C2* Exposure through 5 year CDS

* =C2* Based on leverage we are able to generate double digit returns.

* =C2* The risk to the return is margin calls on the leverage if the value of the portfolio declines due to spread widening.

* =C2* Principal risk is based on default in any of the credits in the portfolio which is limited to 5% per name.

I hope the above is useful. Please let me know if you have any questions.

Best

Shahzad.

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please note

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