
From: jeffrey E. <jeevacation@gmail.com>
Sent: Sunday, May 22, 2016 10:23 AM
To: Shahzad Shahbaz
Subject: Re: Investment Structures

in your fixed income basket, which stocks did you choose? 2. which banks have you found, or person at bank that you think provides the best execution and flexibility. 3. Al Hamad said that one of the banks might take the first two stock loss? 4 Do you currently invest in Tech or tech funds? med tech, bio tech, cyber etc.?

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On Sun, May 22, 2016 at 6:20 AM, Shahzad Shahbaz <[REDACTED] <mailto:[REDACTED]>>>
rote:

Jeffrey,

Hope all is well.

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

EQUITY PUT OPTIONS;</=>

- * Put option on the worst performing stock in a basket
- * One year structure
- * Coupon guaranteed irrespective of performance of the stocks in the basket.
- * Put option strike at 70% of reference/spot
- * Payoff if required in stock at 7% strike
- * We identified 3 baskets based on stocks we are comfortable to own in a downside scenario at a 30% discount.
- * Basket 1; BHP Billiton, Bank of America, Shell, BNP Paribas
- * Basket2; Credit Suisse, General Motors, 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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