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Sent: Friday, April 15, 2016 12:45 PM
To: Brad Wechsler
Cc: Jeffrey Epstein (jeevacation@gmail.com); Barrett Team; Nelson, Justin D
Subject: EUR Cross-Currency Funding Strategy to cheapen a EURO denominated floating rate loan

Brad

If Leon or the company has EURO denominated loansR=0;...read on.

- =nbsp; Credit lines at many banks floor the floating index=at 0%. With 1-month Euribor fixing at -0.342%, many borrowers don't r=alize the benefit of negative interest rates.

- =nbsp; You can bypass this floor by borrowing in USD at 1-m=nth Libor (plus a spread) and using a cross-currency swap to create a synth=tic EUR loan. This allows you to not only capture the benefit of negative r=tes but also cheapen funding from the cross-currency differential in the market.

Current Sample Borrowing

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Outstanding EUR loan @ 1-month Euribor + 100 bps<=:p>

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Steps to create a Synthetic EUR Loan=/u>

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1) Drawn down EUR equivalent notional from your=USD Line @ 1-month Libor + 100 bps

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2) You are left with EUR interest payments and exposure= All USD flows net out. See net exposure below.

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Results

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- =nbsp; By creating a synthetic EUR loan via cross-currency=swaps, you can reduce funding costs by roughly 55 bps for 1 year (combinatio= of savings from negative Euribor rates and negative cross-currency basis).=u>

All pricing is indica=ive

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