

To: Jeffrey Epstein [REDACTED]
Cc: Giuffrida, David J [REDACTED]
From: Barrett, Paul S
Sent: Mon 7/16/2012 7:58:09 PM
Subject: RE:

Jeffrey

Here is a sample portfolio per your request. The below portfolio has the following characteristic:

Unlevered yield: 8.83%
 Leverage Used: 16% (borrowed at 3M Libor + 100bps)
 Leveraged Yield: 10.00%
 Leveraged Notional: 116% (\$116,000,000)

- Returns for DoubleLine and Blackstone GSO are purely estimates

Proposed Portfolio		
	Leveraged Weight	
High Yield	29.00%	Yield
JPM High Yield Bond Fund	29.00%	6.36%
Bank Preferreds/Lower Tier II Bonds	17.40%	Yield
RBS 7.25% Pfds	3.48%	8.50%
Ally B Pfds	3.48%	7.95%
Rabobank 8.40% Pfds	3.48%	7.85%

Bank of America 8.125% Pfd		3.48%	6.60%
GE 7.125% Pfd		3.48%	5.90%
Emerging Markets		11.60%	Yield
PDVSA 5% 2015 (USD Denominated)		5.80%	11.75%
BRL Linked Market Plus Note (8% coupon / 25% At expiry Buffer)		5.80%	8.00%
Equity Linked Notes		23.20%	Coupon
SP500 Linked CBEN (10% Coupon / 10% cap / 23% buffer)		11.60%	10.00%
Apple Linked CBEN (10% coupon / 20% Cap / 20% At expiry Buffer)		5.80%	10.00%
Starbucks Linked CBEN (11% coupon/15% cap/20% At expiry Buffer)		5.80%	8.00%
Commodities		5.80%	Coupon
Oil (Brent) Linked CBEN Note (13% coup/20% buff)		5.80%	13.00%
Alternatives		29.00%	Estimate
DoubleLine Mortgage Fund		17.40%	12.00%
Blackstone GSO Rescue Lending Fund		11.60%	8.00%
Unleveraged Return		8.83%	
Leveraged Gross Return		10.24%	
Leverage	Borrow using a line of credit at a rate of	Borrowed Amount	
	1.50%	16%	

Paul Barrett, CFA
Managing Director
Global Investment Opportunities Group
JPMorgan Private Bank



From: Jeffrey Epstein [mailto:[REDACTED]]
Sent: Sunday, July 15, 2012 7:58 PM
To: Barrett, Paul S
Subject:

I would appreciate it if someone in your shop put together a sample portfolio of funds and products for a 100 million dollar. structured to yield about 10%

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