

Bid/Offer Cost: Latest Reset Notional * 1.31% (\$124,704.68)

Index level is known only late in the evening. Tomorrow is a commodities holiday, so payment will be computed on Mon morning.

Settlement Date: 7-Apr-15.

I've attached the original trade confirm for your reference.

Thank you,
Vahe

From: Daniel Sabba
Sent: Tuesday, January 13, 2015 3:13 PM
To: jeevacation@gmail.com
Cc: [REDACTED] Paul Morris; Vahe Stepanian
Subject: Trade Recap - 01/13/2015 - DB Commodity WTI Short Volatility II Index [C]

Classification: Confidential

Jeffrey, per our phone conversation, Southern Financial LLC entered into the following commodity swap with Deutsche Bank AG, acting through its London branch. Southern Financial went long DB Commodity WTI Short Volatility II Index. Initial strike to be set at close today. The Initial Margin on this trade is 5% of Notional. Official termsheet and confirm to follow.

Trade recap:

OTC index swap

Buyer: SOFL
Seller: DBAG London
Underlying: DB Commodity WTI Short Volatility II Index
Bloomberg Ticker: DBCMWSV2 Index
Trade Date: 13 Jan 2015
Effective Date: 13 Jan 2015
Expiry Date: 13 Jan 2016

Resets at end of each calendar quarter. For clarity reset dates are: 31-Mar-15, 30-Jun-15, 30-Sep-15, 31-Dec-15, 13-Jan-16

Settlements: T+2
Notional: \$10,000,000
IA: \$500,000 paid by SOFL on 14-Jan-2015.

Up to 1.5% fees charged on exit under normal circumstances, irrespective of whether the exit is on scheduled Expiry Date or earlier

Strike: Underlying closing level on Effective Date

Cash flows:

On each reset date:

Buyer receives: $\text{Notional} / \text{Strike} * (\text{Index closing level on reset date} - \text{Index closing level on previous reset date})$

For the first reset date, $\text{Index closing level on previous reset date} = \text{Strike}$

Thank you for the trade,
Daniel

Daniel Sabba
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