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Sent: Wednesday, October 17, 2018 8:46 PM
To: J
Cc: Richard Kahn
Subject: A few things

Jeffrey

1. We own \$2MM of JBS 7.75% 2020 bonds. We paid 102.58 in May 2018. Comp=ny is tendering for the bonds at 102.30. Bonds currently trading around 102.00.

- * Implies a YTC of 2.84%
- * If we don't tender and they never call the bonds we end up with a 6.51% YTM
- * This is a high quality bond. The company continues to de-lever and should be down to <4x leverage by next year. I think we should keep the bonds as I do not believe they will call the outstanding balance once the tender is complete and we end up with a 6.51% YTM. Liquidity might dry up but we would plan to hold to maturity.

2. TRY up 3.30% since Monday. Forward points have also come in implying 1yr rates of 27.50%.

- * We could consider selling 6 month 6.000 TRY Puts that Knock Out at 6.2500. Premium ~ 6.35% vs a vanilla which pays around 8.20%.
- * Red Line in chart below is the Knock Out Level. Would require a 6% move from here to KO.
- * Breakeven of USDTRY at 6.3800 at expiry.

3. Visa

- * Stock is down 5% since September
- * Secular shift from cash to checks continues
- * Visa Europe benefiting from cost synergies most acquisition
- * EM growth story continues
- * I think we should use this pullback to build a position in a high quality name.

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