
From: Richard Kahn [REDACTED]
Sent: Thursday, June 14, 2018 1:25 PM
To: Jeffrey Epstein
Subject: Fwd: BAML Insight: NAPSERS discount, XOM inflection, PCG scenarios, AMX hosted CEO, RENAULT spec-sit, ACC upgrade, GENE editing, GDPR idea, SMG short.

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Begin forwarded message:

From: "Ens, Amanda" [REDACTED]
=ate: June 14, 2018 at 9:04:20 AM EDT
To: "Rich Kahn" [REDACTED]
=ubject: BAML Insight: NAPSERS discount, XOM inflection, PCG scenario=, AMX hosted CEO, RENAULT spec-sit, ACC upgrade, GENE editing, GDPR idea, S=G short.
Reply-To: "Ens, Amanda" [REDACTED]

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Holding company with stakes in high quality Internet properties around the world including= Tencent, Mail.ru <<http://Mail.ru>> and Delivery Hero. Key issue= is the 45% discount NAV never seems to close (chart 1). Past 3 months Naspers crystallized over \$12bn realizing impressive returns = 5,500x on Tencent and 3.7x on Flipkart. Zero impact on the discount for 2 reasons 1) limited visibility on use of proceeds and no buybacks 2) flows have not been helpful as South African investors materially reduced their ownership in Naspers.=Why Buy now? 3 upcoming catalysts. 1) We think the company will change management= incentive compensation at AGM August 2018 similar to the strategy Altaba used with a bonus multiplier. 2) With \$10b in cash management can unbundle legacy pay TV business (=orth \$8b) as company is less dependent on cash flows. 3) Buyback debate. Asset disposals have had no impact on the discount. \$5bn buyback is self-help tool that would close discount 2% a needed move in right direction. P/E 4,800 ZAR based on SOTP applying 30% holdco discount. 40% upside. Catalyst AGM in August. Note.<=span>
<<http://rsch.baml.com/r?q=81DFccB5G7WH!XlzUwWEZg&==richardkahn12%40gmail.com&h=rxyvOw>> =/span>

EXXON: BUY. MGMT SUCCEEDING IN CHANGING DIALOGUE = VALUE & GROWTH.

In a rare event for the market, we hosted US1-rated XOM last week. We're comfortable with our street-high PO as mgmt. remain committed toward plans to double FCF by 2025 vs under investment risk by the other 'majors'. Following relative underperformance post 4Q, we believe the market is beginning to come around. Rather than buybacks & de-leverage at the bottom, XOM was investing through-the-cycle, granting them the opportunity/leverage to now high-grade their portfolio, while accelerating opportunities to rationalize non-core assets. Growth is ratable, commencing in 2H18 with milestones to underpin confidence in delivery. Pace of Permian activity also = earlier inflection? = parallel to catalyst underpinning CVX's 2016 turnaround. Note.

[Julien Dumoulin-Smith](https://rsch.baml.com/r?q=3D4TbXQ!xrVNWmvK12bq0o8Q&e=richardkahn12%40gmail.com&h=VYXjpA) estimates a \$2.4bn liability = -\$900m impact to shareholders equity based on insured losses only. PCG mgmt. will file request for waiver with the CPUC for a hypothetical cap structure. Mgmt. prefers not to issue equity at this point. HoldCo debt is second option if waiver is denied. We model a current equity cushion of \$678mn YE18. There is a \$1bn annualized savings from the dividend. Butte fire claims remain the largest unknown. Potential Butte liabilities are \$1.1bn with upward bias. Claims can be filed until Sept 2018, pace of claims expected to accelerate as statute of limitations deadline approaches. We remain neutral rated as downside risk from uncertainty related to Butte fire is too great. Julien hosted debate lunch last week where 25 investors showed up; ask for color. Note [.](https://rsch.baml.com/r?q=rsz1mLo9DWF3936fXorxTQ&e=richardkahn12%40gmail.com&h=Y-q3A)

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AMX: HOSTED CEO. WORST IS BEHIND. MARGIN EXPANSION. DELEVERAGING.=29% UPSIDE.

For just the 2nd time in 1= years. Key messages: worst of competition/regulation is behind them= Scope to drive margins from low-30's to low-40's. Data demand robust. Dragging business either 1) losing relevance or 2) inflecting. Consolidated revenue/EBITDA can +2/6% CAGR through 2020E, respectively... AND EBITDA is diversified. Mexico 30%. Brazil 20%. USD/EUR markets 25%. Remainder spread. Despite high exposure to hard currency, B/S is diversified and at 2x (with plans to go to 1.5x by 1H19). Post 23% pullback=stock trading at 5.4x EBITDA and 7.3% FCF. \$20 target = 29% upside. Note [.](http://rsch.baml.com/r?q=ACSc82buQ9drSKvMkFAuVQ&e=richardkahn12%40gmail.com&h=1m2spw)

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RENAULT: SPEC SITS BUY.

High conviction from BAML Special Sits in London. Risk-reward now asymmetric. We see downside to 82-75-80 if the event it's ruled out vs. €95-125 upon a merger. Catalyst = Annual meeting tomorrow. Market currently pricing in =EAR ZERO probability of merger with Nissan. WE SAY: CEO's start-stop narrative on the merger has wiped out the perceived optionality. This is posturing for the deal. Renault needs the deal to unlock its punitive HoldCo discount. Nissan needs it as well. Full write-up with SoTP assumptions available. Note.

[MAR.](https://rsch.baml.com/r?q=8ZROqhUIThXRTm2d8GGmkA&e=richardkahn12%40gmail.com&h=yrZA0A)

[.](https://market.ml.com/disclosures/ir?id=InnEI9uQaPA%3d)

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SMG short (ask for write-up). [AG GENE-EDITING](http://rsch.baml.com/r?q=2tTH04BaI26=ynUBvTWj-Q&e=richardkahn12%40gmail.com&h=R7E0dA) data point.

[=a href="http://rsch.baml.com/r?q=JF0qSRBf9EJ!AhU3!NyxBg&e=richardahn12%40gmail.com&h=SxJstQ">GDPR update, buy CYBR. 2722824](http://rsch.baml.com/r?q=NwhKLpQ5XOnutOgS8gc-w&e=richardkahn12%40gmail.com&h=9XEz1Q)

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