

From: "jeffrey E." <jeevacation@gmail.com>
To: Paul Barrett <[REDACTED]>
Subject: Re:
Date: Sun, 08 Jul 2018 12:50:03 +0000

But the yield is important not the coupon

On Sun, Jul 8, 2018 at 8:13 AM Paul Barrett <[REDACTED]> wrote:

When I look at buying a bond that has upside price potential, I always consider both the 1 year total return expectation as well as the yield to maturity. It helps me think about sizing if we are adding to an existing position.

Paul

Paul Barrett
Alpha Group Capital LLC
142 W 57th Street, 11th Floor, New York, NY 10019
[REDACTED]
[REDACTED]

On Jul 8, 2018, at 5:59 AM, jeffrey E. <jeevacation@gmail.com> wrote:

1/ ok 2 [ok](#) 3 [ok](#) . 1 bonds that receive interest is not a gain !. 1 the coupon is 10 but that is immaterial as the current yield is 916.

On Sat, Jul 7, 2018 at 10:43 PM, Paul Barrett <[REDACTED]> wrote:

Hi Jeffrey

We just got back tonight. I avoid putting on new positions ahead of payrolls but this is what I recommend for Monday:

1. Fixed Income Idea -

We own \$2MM of the Exela 10% 2023 bonds. I bought them in October 2017. Currently we are up \$250K (\$113K from price appreciation and the balance from interest). This is an Apollo sponsored technology services company (Apollo owns 20%). Currently the bonds are trading at \$102.75 yielding 9.16%. The JPM credit team this can trade up to \$105 plus the 10% coupon giving a ~12% annual return. I think this is a partial replacement for the \$3MM Kindred bonds that were called this week. I would add \$1-2MM.

2. Equity Idea from the team who gave the CD Projekt (polish gaming stock) idea -

Buy InterActive Corp (IAC) on the back of continued success of Match.com and Tinder. Stock trades at 19x 2019 estimates. Fits the mold of asset light platform company with 80%+ gross margins and a large digital moat. Stock at \$155.50

“Tinder creates around 12 million matches every single day and users spend 90 minutes a day reviewing their match. **Tinder users log in, on average, 11 times a day.** Tinder’s monetization on the platform is leading to accelerating growth. Tinder subscribers are willing to pay for Plus and Gold services if they increase the chances to connect. And subscription growth remains impressive with 87% sub growth YoY in Q1 leading to 37% ARPU growth and 3.5M subscribers. Tinder is the second highest grossing app (non-gaming) worldwide and across Match dating products there are products in 42 languages, 190 countries and 7M average subscribers.”

3. I am still long the August 280 SPY call. It was also a small \$50K position. We paid \$1.55 for the options. It closed yesterday at \$1.92. Time decay will start to hurt and I plan to unwind next week. I expect equity inflows to continue next week and will use any market strength to unwind (targeting \$3.00).

Paul

Paul Barrett

Alpha Group Capital LLC

[142 W 57th](#) Street, 11th Floor, New York, NY 10019

[REDACTED]

[REDACTED]

<image002.jpg>

From: jeffrey E. <jeevacation@gmail.com>

Sent: Saturday, July 7, 2018 11:48 AM

To: Paul Barrett <[REDACTED]>

Subject:

Very odd not to have suggestions? For whole week!!

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