

Message

From: J. Kyle Bass [k@haymancapital.com]
Sent: 10/17/2016 1:41:03 PM
To: Steele Schottenheimer [ss@haymancapital.com]
CC: Brandon Osmon [jbo@haymancapital.com]; Dan Babich [DB@haymancapital.com]; Kathryn E. Mueller [KM@haymancapital.com]; Lauren Schweiger Dillin [ld@haymancapital.com]; Debby LaMoy [dl@haymancapital.com]; Juneau Lee [JL@haymancapital.com]
Subject: Re: Google Alert - "hayman capital"

Damn it feels good to be a gangsta...

J. Kyle Bass
Chief Investment Officer
Hayman Capital Management

On Oct 17, 2016, at 6:32 AM, Steele Schottenheimer <ss@haymancapital.com<mailto:ss@haymancapital.com>> wrote:

<http://www.nasdaq.com/article/troubled-kyle-bass-reduces-stake-in-nmi-holdings-cm693790>

Troubled Kyle Bass Reduces Stake in NMI Holdings
October 14, 2016, 01:47:28 PM EDT By Sydnee Gatewood, GuruFocus<<http://www.nasdaq.com/author/gurufocus>>

Hayman Capital Management's Kyle Bass<<http://www.gurufocus.com/StockBuy.php?GuruName=Kyle+Bass>> (Trades<<http://www.gurufocus.com/StockBuy.php?GuruName=Kyle+Bass>> , Portfolio<<http://www.gurufocus.com/holdings.php?GuruName=Kyle+Bass>>) reduced his stake in NMI Holdings Inc. (NMIH<<http://www.nasdaq.com/symbol/nmih>>) by -7.4% on Oct. --. Bass founded Hayman Capital in --5. The Dallas-based hedge fund has been struggling recently due mostly to the state of oil prices<<http://www.nasdaq.com/markets/crude-oil.aspx>> . While the firm prospered with Bass' shorting of the subprime mortgage crisis leading up to the Great Recession, he was not so fortuitous in regard to predicting oil prices.

In --5, Bass began buying into oil companies such as Concho Resources (CXO<<http://www.nasdaq.com/symbol/cxo>>) and Whiting Petroleum (WLL<<http://www.nasdaq.com/symbol/wll>>) with the expectation crude oil prices<<http://www.nasdaq.com/markets/crude-oil.aspx>> would rebound in --5 and --6. They did rise at the beginning of --6 but have since fallen. As of Oct. --, crude oil was \$5-.- a barrel.

According to the Wall Street Journal, as of May -, Bass' main fund had experienced a 7% loss so far this year, the biggest losing streak in the firm's history.

In addition to his success during the Great Recession, Bass has also correctly predicted Greece's economic woes and the devaluation of the Japanese yen.

The firm also targeted United Development Funding IV (UDF<<http://www.nasdaq.com/symbol/udf>>) earlier this year, claiming the company was operating like a Ponzi scheme. It was cleared of fraud on May -7. Bass' latest bet is in regard to Chinese and Hong Kong currency. Bass said he expects the currencies to depreciate approximately 4% over the next three years. Due to China's heavy debt levels, Bass believes the Chinese government will be forced to inject cash into the system, thus driving down the value of the yuan.

In NMI, the guru sold -,446,995 shares for \$8.-' per share. The transaction had an impact of -9.7% on the portfolio, and he now holds ',865,657 shares.

NMI Holdings provides private mortgage guaranty insurance through its subsidiaries. It offers primary mortgage insurance and pool insurance. The company was incorporated in -- and is based in Emeryville, California.

The company has a market cap of \$467.- million with an enterprise value of \$5..8.- million. It has a forward price-earnings (P/E) ratio of 8.-, a price-book (P/B) ratio of -- and a price-sales (P/S) ratio of 5.'4.

GuruFocus ranked the company's financial strength 6 of --. Its Piotroski F-Score of 4 indicates the business is in stable financial condition. The company's equity to asset ratio is ..59, well above the industry median of --6. The cash-debt ratio of --.' is far below the industry median of -.4.

GuruFocus ranked NMI's profitability and growth ' of -.... Both its operating margin and net margin are in the negatives and underperform 97% and 98% of competitors. NMI's return on equity (ROE) of --.8% underperforms 94% of companies in the global insurance - property & casualty industry. Similarly, the company's return on assets (ROA) of --.9% underperforms 95% of companies in that industry. Howard Marks (Trades, Portfolio) is the largest shareholder among the gurus. He holds 9.84% of outstanding shares, which is -.5% of his total assets managed. Bass is second with 6.5% of outstanding shares. Other gurus invested in the company are Jim Simons (Trades, Portfolio) and Chuck Royce (Trades, Portfolio).

Bass has been reducing his stake in the company since the second quarter. Financial Services stocks hold a -.-% weight in his portfolio.

Read more: <http://www.nasdaq.com/article/troubled-kyle-bass-reduces-stake-in-nmi-holdings-cm693790#ixzz4NLgUCygv>

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From: Google Alerts [<mailto:googlealerts-noreply@google.com>]
Sent: Saturday, October 15, 2016 12:31 PM
To: Steele Schottenheimer <ss@haymancapital.com>
Subject: Google Alert - "hayman capital"

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