# Oksenholt Capital Challenges Pershing Square's Discounted Freddie Mac Valuation

*The same business deserves the same multiple. On the evidence, Freddie may deserve more.*

SCOTTSDALE, Ariz., August 13, 2026. Oksenholt Capital Management LLC today released a valuation analysis challenging Pershing Square's decision to value Freddie Mac (FMCC) at a materially lower earnings multiple than Fannie Mae (FNMA).

Let's start with where we agree. Bill Ackman and Pershing Square have done valuable work showing why Fannie and Freddie may be worth far more than today's market prices imply. These are exceptional franchises. Our disagreement is narrower, but important. Pershing's January 16, 2025 presentation valued Fannie at roughly 15.0x earnings and Freddie at 14.5x. [1] Its November 18, 2025 relisting presentation moved Fannie up to 16.0x and Freddie down to 13.0x. [2] The businesses did not suddenly become three turns apart. The operating record points the other way.

"Bill Ackman is obviously a very smart and successful investor. That doesn't mean he gets every assumption right," said Jon Oksenholt, founder of Oksenholt Capital Management LLC. "On this one, I think Pershing has it backward. Freddie's normalized earnings deserve at least Fannie's multiple. When you look at the capital efficiency, growth and competitive momentum, I think there is a real argument that Freddie should get the higher multiple."

Start with earnings. In the first half of 2026, Fannie earned approximately $7.7 billion and Freddie approximately $7.4 billion. We do not capitalize a single quarter or pretend reserve releases are recurring income. Our analysis normalizes reserve releases, provisions and other nonrecurring items on the same basis for both companies. Even after doing that work, we find no durable reason to pay 16x for a dollar of Fannie earnings and only 13x for the same dollar earned at Freddie.

The capital numbers matter too. Fannie reported a 10.4% illustrative return on average required CET1 for the first quarter of 2026. Using Freddie's disclosed required-CET1 figures and first-quarter net income, we calculate a comparable return of approximately 12.3%. That is our calculation, not a Freddie-reported ROE. We use it as a cross-check, not as a shortcut. But those numbers certainly do not make the case for a discount.

Freddie has also gained ground in the market. FHFA's 2026 deemed-issuance ratio is 52% Freddie and 48% Fannie. From 2019 through 2021, the split was 40% Freddie and 60% Fannie. Deemed issuance is not a valuation formula, and we are not pretending it is. But it is a meaningful fact: Freddie has gained ground. That should matter when somebody is trying to justify a permanent discount.

And this is not a small difference for Freddie shareholders. Keep every other Pershing assumption unchanged and move only Freddie's multiple from 13x to 16x. The indicated FMCC value rises from approximately $44.13 to $54.31 per share. Using the modeled fully diluted share count, that is roughly $32.9 billion of equity value. The calculation is illustrative and depends on the assumed capital structure, including Treasury's warrants and other dilution. But one unexplained assumption is moving tens of billions of dollars of value.

“A three-turn discount is a very big deal,” said Jon Oksenholt. “Fannie and Freddie have the same regulator, do essentially the same business, serve the same housing mission, issue into the same UMBS market and jointly own U.S. Financial Technology LLC. Freddie is earning about as much, using capital efficiently and gaining share. If Pershing believes Freddie deserves 13x while Fannie deserves 16x, show us the math. Freddie’s longtime and smaller shareholders deserve a voice. I intend to be that voice. One large investor’s unsupported discount should not set the terms of a merger or policy decision and shift billions away from Freddie shareholders.”

## Separate or Combined, Freddie’s Value Comes First

We are not saying Fannie and Freddie have to merge. Keeping two separately traded companies may preserve real competition, benchmarking and price discovery. Ackman suggested a combination in August 2025, citing possible operating and trading synergies. [3] It remains only a proposal; no merger may ever occur, and later reporting identified substantial legal and structural obstacles. [4]

What we should not do is start the merger math with Freddie already marked down. Value both companies fairly on a standalone basis first. Set the exchange ratio second. Then add the merger savings and share them fairly. Those savings come from the transaction; they should not be used as an excuse to take value from Freddie shareholders before the deal even starts.

## The Multiple May Be Too Low for Both

The debate may not end at 13x versus 16x. Fannie and Freddie are scarce, government-chartered mortgage franchises with recurring guaranty-fee income, enormous barriers to entry and indispensable roles in U.S. housing finance. They also share the infrastructure behind the UMBS market. Very few businesses occupy comparable positions.

Relisting, a real path out of conservatorship, retained earnings, capital reform, operating savings and policy action under President Trump could support much higher valuations over time. Nobody knows the timing or the final terms. Still, plenty of companies with weaker businesses trade at higher multiples. We can debate the right absolute number separately. The point here is much simpler: we do not see a sound reason for starting Freddie three turns below Fannie.

## Look Forward, Not Backward

The current conservatorship is not supposed to be the permanent end state. In our view, the Trump administration and FHFA Chairman William J. Pulte are doing important work to improve and strengthen businesses that were neglected for far too long. Pulte recently wrote that Fannie and Freddie "continue the historic ascension under President Trump." [5] FHFA has also emphasized efficiency, accountability, growth and changes intended to improve the mortgage market. We welcome that direction. These companies should be run as strong businesses, and investors should value what they may become rather than only the structure they inherited.

President Trump has been direct as well. He has said publicly that he is working on “TAKING THESE AMAZING COMPANIES PUBLIC.” In a 2021 letter to Senator Rand Paul, he said he would have directed FHFA to release the enterprises from conservatorship and called the prior treatment of investors a “travesty.” We do not claim to know the timing, structure or treatment of any security. We do take the direction seriously. We believe investors should analyze Fannie and Freddie as future public companies, not permanent wards of the government.

If you look at the companies that way, 13x versus 16x may eventually seem like the smaller argument. Relisting, a cleaner capital structure and an exit from conservatorship could bring in investors who cannot or will not own these securities today. If the companies are combined, there could be real savings and enormous scale. But Freddie's value has to be protected first. Establish a fair exchange ratio, and only then divide the benefits created by the merger.

"A lot of the market is waiting to see what the government does next. I understand that," said Jon Oksenholt. "But as investors, we also have to look at what these companies could be before, during and after relisting or an eventual exit from conservatorship. When I do that, I do not see a reason Freddie should get a lower multiple today. And I think there is a fair question whether both companies may eventually be worth more than 16x."

## Supporting Valuation Analysis

The accompanying Oksenholt Capital Management LLC Freddie Mac Valuation Analysis provides the calculations, comparisons and supporting charts discussed here.

## About Oksenholt Capital Management LLC

Oksenholt Capital Management LLC is a private investment firm focused on fundamental, long-term opportunities and special situations.

## Important Information



**Sources and Reference Materials**

[1] Pershing Square, Fannie Mae and Freddie Mac Presentation, January 16, 2025, pp. 88–89.

[2] Whitney Tilson's Daily, summary of Pershing Square's November 18, 2025 Fannie Mae and Freddie Mac presentation (including the 16.0x / 13.0x framework), November 19, 2025.

[3] Reuters, Investor Bill Ackman Proposes Combining Fannie Mae and Freddie Mac, August 10, 2025.

[4] Reuters, Pershing Square's Ackman Says Fannie-Freddie IPO 'Not Feasible or Desirable' Now, November 18, 2025.

[5] William J. Pulte (@pulte), X post: "I am excited to spend even more time on Fannie Mae and Freddie Mac, as the companies continue the historic ascension under President Trump." https://x.com/pulte/status/2083605173855801528

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**Freddie Mac Slide Presentation:** https://oksenholtcapital.com/equities#freddie-mac-slide-presentation

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