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**To:** <jeevacation@gmail.com>

**Cc:** "Todd Meister" [REDACTED]

**Subject:** Thank you/Follow-up...

**Date:** Tue, 23 Apr 2013 04:03:12 +0000

**Attachments:** White\_paper-\_structural\_inefficiency\_in\_leveraged ETFs.pdf

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Hi Jeffrey,

Just wanted to send you a note to thank you very much for meeting with us today in an effort to learn more about the multi-strategy Fund that Todd and I are putting together. I sincerely appreciate the time and attention you afforded us. You certainly did not need to bring in Ehud Barak just to impress me. I am flattered that you did, however ☺.

I understand and appreciate your concern regarding capacity. The capacity numbers that I cited were based upon the strategies and Managers that we've already identified and are in active discussions with. Frankly, the issue is typically having less capital backing and as such, I have been tepid in actively seeking too many Managers at the outset.

That said, the Street is filled with talent and 'niche' opportunities to exploit in areas such as market micro-structure, dark pools versus lit pools, various forms of ETF arbitrage (leveraged ETF arbitrage, redemption/creation, etc.). If we knew we had substantial capital backing, I am confident that we could "own" a large portion of the 'niche-oriented', strategies that are generally un-investable by the broader hedge fund investment community.

Despite the fact that these strategies offer a better risk-adjusted return profile and a more fertile demand/supply equation for inefficiencies, these Managers often have a hard time raising capital because there are so few capital providers with an unconstrained hand who can invest with them. This creates a big opportunity for an investor who is not constrained by process and protocol (or fear of losing his/her job).

In short, given a little time to walk before we run, I believe we can deploy a sufficient amount of capital that would provide you and your network with a robust investment opportunity into which they can deploy meaningful size. Simply put, if we find 25 Managers/Groups that can run \$200 Million each, we've got a \$5 Billion business. I think we can ultimately find more based upon the flow that I see. My idea is to start smaller and build out upon success, however.

Here is an article from the hedge fund press entitled "Eagle's View leverages niche-oriented strategies to drive returns" (Eagle's View is my existing Company and the article was from Dec. 27, 2011).

[http://www.opalesque.com/640001/View\\_leverages\\_strategies\\_to\\_drive000.html](http://www.opalesque.com/640001/View_leverages_strategies_to_drive000.html)

I've also attached a White Paper entitled, "Structural Slippage of Leveraged ETFs" to further highlight and expound upon one of the strategies we currently deploy internally as discussed.

I'd like to do something with you. Let's have further discussions as to how we can make that happen. Let me know if/when you have time to discuss further.

Warmest regards,

Neal Berger

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