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Subject: Eagle's View Capital Management, LLC- September 2015 Performance Update...

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Eagles View Capital Management, LLC September 2015 Performance Update

Oct. 14, 2015

Interplay between time compression diseconomies and investor demands

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Dear Partners/Friends,

Performance of Eagle's View Capital Partners, L.P. is estimated at -0.57% for September with YTD performance estimated at +4.79% net of all fees and expenses.

Performance of Eagle's View Offshore Fund, Ltd. Class G is estimated at +0.85% for September with YTD performance estimated at +3.49% net of all fees and expenses.

Performance of Eagle's View Offshore Fund, Ltd. Class B ("High Alpha") is estimated at +0.10% for September with YTD performance estimated at +1.00% net of all fees and expenses. This Share Class seeks to generate substantially higher returns through a more concentrated portfolio of some of our historically higher return opportunities. Investors in this Class should have a willingness to accept increased volatility and risk in exchange for the potential of higher returns.

September was a challenging month both for the hedge fund industry and for equity markets. According to HFR, the average Fund of Funds was -1.51% for Sept. with YTD performance of -0.67%. Although we certainly do not benchmark our performance against the equity markets, in an effort to highlight the challenges for the month, the S&P 500 index was -2.60% during Sept.

Furthermore, the 3Q was also quite challenging for mainstream markets as well as overall hedge fund performance. According to HFR, Fund of Funds declined -3.28% for the 3Q while Eagle's View Capital Partners, L.P. is estimated at +3.46% net of all fees and expenses for the quarter. Eagle's View Offshore Fund, Ltd. Class G and Eagle's View Offshore Fund, Ltd. Class B are estimated at +5.70% net of all fees and expenses and +4.48% net of all fees and expenses respectively for the quarter. The S&P 500 index

was -6.90% for the 3Q. Once again, we do not consider the S&P 500 index to be a good comparison to our offering, however, we show the performance for illustrative purposes and frankly, to highlight the fact that we believe the broader mainstream hedge fund industry is simply a diluted proxy for 'risk on'.

In conversations with other market participants, I find myself more and more frequently making statements such as "...every day seems like a month now", or, "...each month is like a year these days". Time compression diseconomies is defined as the additional costs incurred by firms seeking to quickly reach a given level of an asset stock (performance) when this stock (performance) could be accumulated more economically over a longer period of time. This will be the case when maintaining a given rate of investment for a given interval produces a larger increase in the resource level than maintaining twice the investment over half the interval. We would argue that this broad concept also applies to stop-loss activity and performance targets going on within markets in response to a focus on short-term Manager performance goals on the part of hedge fund investors.

Investors are increasingly focused on instant performance gratification and queries such as how are we doing today, this week, this month, this hour are increasingly causing Managers anxiety and encourage them to seek to perform on a short-term basis for fear of capital flight. Moreover, the fear of short-term excessive losses is causing Managers to whipsaw markets over shorter time frames and thus, in the absence of stable and longer-term liquidity providers, market moves are exacerbated purely due to flow of funds as hedge funds have become increasingly relevant to global markets in the short-run. Banks and investment banks have substantially retreated as stable liquidity providers due to changing risk appetites, changing regulatory landscape, and, imposed capital requirements. That said, the 'fast money' hedge funds merely create noise (albeit quite substantially so) and despite very noisy short-term activity, more extended moves often remain muted or smoothed as whipsawed markets ultimately cancel out larger moves. We have witnessed certain compressed and substantial moves in major markets that have rarely, if ever, been seen in the past. This has created some challenging conditions and has caused nearly every strategy to experience substantial challenges at one time or another.

During these type of market environments, we prefer mean-reversion type strategies, volatility oriented type strategies, and, we have an increasing willingness to 'buy the dip' on certain strategies that we feel have positive expectancy and mean-reverting characteristics with respect to their return stream. Hedge fund investors have increasingly become largely the polar opposite of the Buffet approach which suggests a focus on the longer-term quality of the Manager or strategy with performance pullbacks to be utilized as good entry points rather than exiting at every short-term hiccup assuming the Manager has a longer-term positive expectancy and an expectation of a mean-reverting characteristic to the performance profile.

While we are not invested in some of the more recent high-profile hedge fund closures, and, we are not necessarily believers in those strategies, we feel that there are many Managers around the industry (some of which have not made the press) who have fallen victim to the investor mentality and whipsawed market activity discussed above.

Eagle's View invests in a highly diversified portfolio of non-correlated strategies such as Electricity Arbitrage, capitalizing upon inefficiencies in shipping derivatives, volatility arbitrage, algorithmic pattern recognition, various forms of statistical arbitrage, etc. We do not spend 10 minutes per year seeking to forecast macroeconomic trends, timing of Fed moves, market direction, economic activity, etc. Simply put, we do not believe that

we, nor anyone else has any 'edge' in making such grandiose predictions. Rather, we are simply in the money making business. We are not interested in being right about the economy or patting ourselves on the back for predicting the timing of the next Fed tightening, or lack thereof. We are interested in putting up smooth and steady returns for our investors in a low stress manner.

We are accepting new investment within our Fund of Funds products as well as within our Advisory business. Please contact me with further interest in our products/services.

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Kindest regards,

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