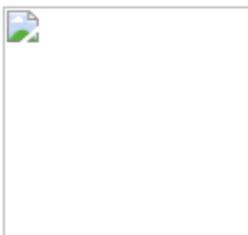


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To: jeevacation@gmail.com

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

Date: Mon, 16 Mar 2015 02:12:06 +0000



Eagles View Capital Management, LLC February 2015 Performance Update

Mar 15, 2015

Risk Management- What do we expect?

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Dear Partners/Friends,

If nothing else, February poignantly highlighted the idiosyncratic and uncorrelated nature of Eagle's View's return profile. While mainstream asset classes and the hedge fund industry overall had a very strong month, Eagle's View by contrast, had one of its poorest showings. To be sure, we feel confident that this cuts both ways and we believe the opposite may hold true likely with greater frequency.

Sometimes a Manager is best judged by his more challenging periods. Although it may seem counter-intuitive, we are proud of the way we handled a series of challenging situations during February. Eagle's View was able to showcase the power of our portfolio construction, diversification, and risk management, despite the fact that we had a losing month.

As we are all aware, short-term losses are part of this business. We believe the manner in which a Manager is able to contain and handle these losses truly shows the skill and talent of that Manager. Given that Eagle's View Capital Partners, L.P. has historically been profitable in 82.50% of all months, February was one of those rare instances whereby we were able to showcase how our risk management and portfolio construction allowed us to contain losses to relatively modest levels that were well within the boundaries of what we would consider prudent risk management despite a confluence of outsized losses from our underlying investments.

Performance of Eagle's View Capital Partners, L.P. is estimated at -0.89% for February with YTD performance estimated at +0.07% net of all fees and expenses.

Performance of Eagle's View Offshore Fund, Ltd. Class G is estimated at -1.70% for February with YTD performance estimated at -1.45% net of all fees and expenses.

Performance of Eagle's View Offshore Fund, Ltd. Class B ("High Alpha") is estimated at -2.37% for February with YTD performance estimated at -1.72% 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.

Although only midway through the month, March is looking positive at this time despite the challenges facing the equity markets and other markets thus far during the month. Obviously, performance will change between now and month-end, however, we are seeing more normalized and positive performance at this time for the Eagle's View funds.

During February, the Eagle's View Funds suffered a negative month due to a combination of a few outsized losses coupled with a lack of counter-balancing outsized gains acting as an offset. Although the majority of the Managers invested in by Eagle's View Capital Partners, L.P. were positive during February, we had three large and outsized losses within our portfolio that occurred concurrently during the month of February. This included a Manager losing nearly -12% for the month, one with losses of -8.50% for the month, and a third with losses of -6.20% for the month. Of the Managers that were positive, only Quantitative Global Macro rose to the level of material offset to these losing positions gaining +5.94% for the month. The other Managers who were positive were only reasonably so. That said, given the three substantial and outsized losses from underlying strategies, we believe containing our overall losses at the portfolio level to less than -1% serves to highlight our portfolio construction, risk management, and diversification. To be sure, it is never a pleasant experience for us to lose any money whatsoever.

The Eagle's View offshore funds suffered these similar outsized losses, except, the majority of Managers within the offshore Funds were negative and therefore providing little in the way of offsetting gains. Still, we believe our losses at the portfolio level remained contained and within the boundaries of prudent risk management versus our overall return expectations. We are in the business of investing in a diversified portfolio of positive expectancy investments, however, month to month, this positive expectancy doesn't always insure a monthly gain and February was one such example.

Ironically, of the three major losing investments, the only one that is not 'actionable' on our part is the Manager who posted -12% for the month. This Manager performed within the boundaries of expectations in light of their 8-year 40% annualized return profile and had been sized by us to anticipate this type of possible drawdown.

To be specific, when we use the term 'actionable', we are referring to a deep investigation of the cause of these losses coupled with a full or partial redemption from the Manager due to a divergence of our expectations versus the actual course of events that took place.

The Manager who generated an -8.50% loss for the month had never experienced a loss even close to this figure in the past. In fact, this loss was four times greater than their prior largest monthly loss. We had extensive conversations with this Manager and simply put, we believe this was a failure of risk management causing a loss that exceeded the outer boundaries of what we expected of this Manager. As such, it has become actionable on our part.

Finally, the -6.20% loss was nearly double the largest prior loss that Manager had experienced. This has also become actionable due to a failure of risk management amongst other factors.

As the reader can see from the above, we reference risk management quite a bit. This begs the question of what we expect a prudent and sharp risk manager should consider acceptable losses within a liquid strategy. While this is a very involved and lengthy discussion, and obviously, participants will have a varying answers to this question, we are providing our own opinion of what we expect in terms of risk management. We are simplifying things a great deal and merely providing our 'rule of thumb' metrics allowing for certain nuances in practice. As we've always stated, this is more art than science.

We believe monthly losses and maximum levels of peak to trough drawdown should be a function of return expectations (for illustrative purposes, we will use annual return expectations). Eagle's View ascertains a rough annual return expectation for each investment based upon both qualitative and quantitative metrics coupled with our market experience as former traders ourselves. Based upon those annual return expectations, we do not believe a sharp risk manager would allow for greater than a 25-33% monthly loss versus those annual return expectations as an outer boundary (i.e. a Manager with a 10% annualized return expectation shouldn't have monthly losses exceeding a -3% handle in our view). On a peak to trough basis, we believe a prudent risk manager should target 60-70% as an outer boundary versus their annualized return expectations. These rules of thumb apply to liquid strategies (which is what Eagle's View seeks to invest in), and, we must allow for truly unforeseen events such as earthquakes, natural disasters, etc. To be sure, we hold Eagle's View to the same standard when constructing, managing, and sizing our portfolio investments.

During the month of February, Eagle's View held to this standard, despite a couple of our underlying Managers who exceeded these boundaries. When portfolio managers experience losses, we commonly hear about how unusual or anomalous their markets were during the period. Our response is, a prudent Manager should expect the unexpected. Just as Eagle's View was able to withstand the unexpected, so should our underlying Managers. Fear of cutting losses at the bottom as once compelling trades seemingly become more compelling leads to stubbornness in cutting or exiting positions and the potential for losses that exceed the outer boundaries of prudence in the context of one's annualized return expectations. As a former trader, I have sold the bottom and bought the top countless times. That said, living to fight another day, and, "playing right" should always take precedence over short-term opportunities regardless of how compelling. Losses are not shameful nor sinful, rather, it's allowing those losses to exceed appropriate boundaries that flirts with danger and becomes a slippery slope.

Broadly speaking, Eagle's View is in the business of seeking to capitalize upon market inefficiencies without regard to the overall direction of markets. Ultimately, if we are correct that markets are in for a period of heightened volatility, this should enhance our returns even if it comes at the expense of increased volatility of our returns. Market inefficiencies are often created during more volatile and turbulent markets, although, during the initial stages of market dislocations, existing positions can often suffer as those strategies in the business of capitalizing upon these moves need to re-adjust. Over the longer term, we believe increased volatility is a positive for our strategy should it occur.

Eagle's View seeks to maintain a relatively balanced book in terms of factor exposure. However, we have added some positions that we believe would benefit from heightened volatility and substantial market moves should they occur. Of course, we are broadly diversified across what

we believe to be positive expectancy strategies and we believe our core return stream should continue along in a positive course with acceptable levels of volatility regardless of market conditions.

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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