

**From:** Neal Berger <[REDACTED]>

**To:** jeevacation@gmail.com

**Subject:** Eagle's View Capital Management, LLC- August 2014 Performance Update...

**Date:** Wed, 10 Sep 2014 12:33:40 +0000

---



## Eagles View Capital Management LLC August 2014 Performance Update

**Sept 10, 2014**

**Who's better, a Manager who generates 10% in a year or one that generates 20% in a year?**

[Click here to view our most recently updated tearsheet](#)

Dear Partners/Friends,

Eagle's View Capital Partners, L.P. is estimated at +0.90% for the month of August with YTD estimated at +8.64% net of all fees and expenses.

Eagle's View Offshore Fund, Ltd. Class G is estimated at +1.05% for August with YTD 2014 performance estimated at +8.17% net of all fees and expenses.

Eagle's View Offshore Fund, Ltd. Class B ("High Alpha") is estimated at +2.36% for August with YTD (Inception April '14- Aug. '14) estimated at +5.59% 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 for higher returns.

I recently had a casual chat with a fellow investor, and friend of mine. I asked him, if I have two Managers, call them Manager A and Manager B. Manager A returned 10% last year, Manager B returned 20% last year. Who would you say is better? He looked at me a bit puzzled as if I had just asked him how much 2+2 equals. I could see his wheels turning as he wondering what the trick is to this question because to him, the answer seemed very obvious. I told him that I assure you that this is not a trick question and that he should just give me his gut reaction. He finally relented and told me that obviously the Manager who made 20% was better. To his surprise, I said, you're wrong. The answer is, you cannot tell who is better given the information I have provided to you.

I now told him that Manager A capitalized upon a pure arbitrage in the market and that he hadn't had a losing day for the entire year. Manager B took 20% of the capital in his

Fund, went to Vegas, bet it on Black at the Roulette table and the Manager happened to win and did nothing else for the balance of the year. Now who is better?

Obviously, I was being a bit silly, but, I was a little frustrated with the over emphasis that investors place simply upon the overall headline return figure without any or much regard for the risk being taken. All I hear from investors is "how much are you up?" or "how much is the Manager up"? I never hear any questions about the risk-adjusted returns, simply, what are the returns?

Obviously, Managers/Investors can get lucky and make big returns while at the same time assuming (whether they realize it or not), big risks. In certain circumstances, some Managers/Strategies can make big returns while at the same time taking on reasonable or even modest risk whereby the risk-adjusted returns are asymmetrical. Obviously, this is what we seek at Eagle's View. I believe we've done a decent job in finding those opportunities over the years.

The risk side is only apparent during situations when there is a negative outcome. Over the past few years, given the global macro landscape and the government engineered financial market environment, the negative side of risk has rarely shown itself. As a result, many investors have become lulled into thinking that the X factor of risk doesn't exist. Obviously, in 2008, risk showed itself in a big way. We are not predicting or even overly concerned about a repeat of 2008 as we believe given the way our portfolio is constructed, we've taken great effort to insulate ourselves from those risks. I liken risk to a dormant volcano. When inactive, the volcano seems like an innocuous mountain. During an eruption, the true risk of that "serene" environment becomes obvious to all who witness it.

While we are one of the leading Fund of Funds this year in terms of performance, outperforming the HFR Fund of Funds composite index by over 600 bps this year alone thus far, we believe it has not been as a result of taking on greater risk. We pay very careful attention to risk-adjusted performance (risk in all forms which includes investment risk, operational risk, liquidity risk, etc.). We run a highly diversified portfolio that we believe maintains a positive expectancy while at the same time lacks correlation to broader markets. Eagle's View Capital Partners, L.P. further reduced its annualized volatility since inception down to 2.64% and increased its Sharpe Ratio to 2.84.

Eagle's View is in the business of seeking to capitalize upon market inefficiencies and make positive expectancy investments. It is our view that structural and general market inefficiencies tend to be more pronounced during more normalized and higher volatility regimes.

We do very little thinking about the overall direction or macro view of markets. We do not seek to invest with Managers who attempt to predict the course of the global macro-economic landscape as we do not believe anyone has an advantage in doing so. We simply do not attempt what we feel is a losing battle.

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

Disclaimer: Past performance is not indicative of future results. This newsletter is provided for informational uses only and should not be used or considered an offer to sell, buy or subscribe for securities, or other financial instruments. Prospective investors may not construe the

contents of this newsletter or any prior or subsequent communication from us, as legal, tax or investment advice. Each prospective investor should consult his/her personal Counsel, Accountant, and other Advisors as to the legal, tax, economic and other consequences of hedge fund investing and the suitability of such investing for him/her. Further, the contents of this newsletter should not be relied upon in substitution of the exercise of independent judgment. The information contained herein has been obtained from sources generally deemed by us to be reliable, however, all or portions of such information may be uniquely within the knowledge of parties which are unaffiliated with us or our affiliates and, therefore, may not be amenable to independent investigation or confirmation. In such cases, we have not undertaken to independently investigate or confirm the accuracy or adequacy of such information, but we have no reason to believe that such information was not accurate and adequate, to the best of our knowledge, when given. The index comparisons herein are provided for informational purposes only and should not be used as the basis for making an investment decision. There are significant differences between client accounts and the indices referenced including, but not limited to, risk profile, liquidity, volatility and asset composition. Funds included in the HFRI Monthly Indices must report monthly returns; report net of all fees returns; report assets in US Dollars, and have at least \$50 million under management or have been actively trading for at least twelve (12) months. Fund of Funds invest with multiple managers through funds or managed accounts. The strategy designs a diversified portfolio of managers with the objective of significantly lowering the risk (volatility) of investing with an individual manager. The Fund of Funds manager has discretion in choosing which strategies to invest in for the portfolio. A manager may allocate funds to numerous managers within a single strategy, or with numerous managers in multiple strategies. The minimum investment in a Fund of Funds may be lower than an investment in an individual hedge fund or managed account. The investor has the advantage of diversification among managers and styles with significantly less capital than investing with separate managers. PLEASE NOTE: The HFRI Fund of Funds Index is not included in the HFRI Fund Weighted Composite Index. It is important to note that investing in hedge funds involves risks. Please request and read the Private Placement Memorandum for a complete description of the risks of hedge fund investing. Hedge fund investing may involve, in addition to others, the following risks: the vehicles often engage in leveraging and other speculative investments which may increase the risk of investment loss; they can be highly illiquid; hedge funds are not required to provide periodic pricing or valuation information to investors; they may involve complex tax structures and thus delays in distributing important tax information may occur; hedge funds are not subject to the same regulatory requirements as mutual funds and they often charge high fees. Opinions contained in this Newsletter reflect the judgment as of the day and time of the publication and are subject to change without notice. Eagle's View Capital Management, LLC provides investment advisory services to clients other than the Funds, and results between clients may differ materially. Eagle's View Capital Management, LLC believes that such differences are attributable to different investment objectives and strategies between clients. Past performance is not a guarantee of future results. If you are not the intended recipient or have received this communication in error please notify the sender immediately and destroy this communication. Any unauthorized copying, disclosure or distribution of the material in this communication is strictly forbidden.

Kindest regards,

Neal Berger  
President  
Eagles View Capital Management LLC  
[REDACTED]

[Forward email](#)



This email was sent to jeevacation@gmail.com by [REDACTED] |  
Rapid removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).