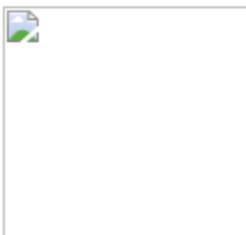


From: Neal Berger <[REDACTED]>
To: jeevacation@gmail.com
Subject: Eagle's View Capital Management, LLC- October 2014 Performance Update...
Date: Mon, 10 Nov 2014 00:32:07 +0000



Eagles View Capital Management LLC October 2014 Performance Update

Nov 9, 2014

The Month Long Flash Crash

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Dear Partners/Friends,

Eagle's View Capital Partners, [REDACTED] is estimated at -0.65% for the month of October with YTD estimated at +8.69% net of all fees and expenses.

Eagle's View Offshore Fund, Ltd. Class G is estimated at -0.30% for October with YTD 2014 performance estimated at +8.83% net of all fees and expenses.

Eagle's View Offshore Fund, Ltd. Class B ("High Alpha") is estimated at -1.70% for October with YTD (Inception April '14- Oct. '14) estimated at +2.96% 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.

Although Eagle's View seeks to maintain no explicit long (or short) volatility exposure, we have often mentioned that we believe Eagle's View should perform better during more normalized or higher volatility environments whereby market inefficiencies tend to be more pronounced and robust. We believe this is the case and our modest loss for October does not negate our belief. With that said, we have no way of knowing if our strategies or Managers will make money during any brief window of time and particularly during the start of a distressed and chaotic market environment. In fact, at the outset of a chaotic environment, seemingly intelligent positions can go against our Managers during the initial phase, however, we believe our Managers will take advantage of the chaotic market environments putting on positions that have become dislocated and anomalous due to forced trading activity. We believe this should lead to

positive performance during more sustained periods of market dislocation and normalized or higher volatility. Simply put, there is more alpha to be extracted from the markets during periods where markets become volatile and inefficient, although, this may or may not generate profitable trades immediately. Overall, we welcome a higher volatility and more active trading environment which we believe is beneficial to us overall.

October was one of the most unusual months for the markets I've witnessed during my 25 year career. While there was distress and inefficiencies, they were simply so fleeting and so short-lived, that it was quite difficult for our Managers to fully capitalize upon them versus a more sustained pick-up in activity and dislocation. We hope and expect that we are gradually moving toward a more "active" market environment, which we believe will benefit Eagle's View's investment positions. We are heavily weighted toward quantitatively driven strategies that have the ability to detect and capitalize upon these opportunities.

With all the market turbulence, Eagle's View had a rather "normal" month and certainly well within the range of expectations. We never felt any undue stress even during the thick of the chaos, although, the rest of the industry was largely "bailed out" by the massive rally during the second half of the month. If one looks at the mid-month performance of the industry during October versus the end of month performance, it becomes truly obvious that the broader industry is highly correlated to market beta. Of course, for anyone who has observed the broader industry for any length of time, this is certainly no shock.

We have more regard for Managers who took steps to cut some losses and protect capital mid-month during the thick of the chaos, even if that led to locking in some short-term losses. Our preference is for Managers who fight to live another day rather than Managers who simply sit on their hands and hope for the best by month's end. Unfortunately, we believe the latter approach was far more prevalent and similar to the attitude during prior crises' such as 2008. We appreciate Managers who are in motion attempting to preserve capital as we believe nobody could honestly predict the course of events and how things would turn out during this one month flash crash.

While we generally do not comment about macro movements in the markets, October is a bit of an exception because we believe it shows potential cracks or susceptibilities within the markets. Simply put, we believe October was a hedge fund unwind problem. We don't think that is a big secret or revelation. We believe nothing changed in the real economy over the prior 4-6 weeks that precipitated the events of October, and, we also do not believe that the market suddenly woke up to the geopolitical risks around the world. Rather, we believe, for whatever reason, we tipped a precarious balance within leveraged players that led to a vicious unwind of very similar positions without much liquidity to take the other side of these trades. To be sure, it was short-lived and maybe it was a one-off event. However, the broader hedge fund industry with \$2.8+ Trillion of equity capital and many multiples of this on a leveraged basis, has simply become a major market moving force (or even THE major market moving force).

In our opinion, the problem is that many of these Managers have the same or very similar positions on (both long and short), have mathematical models that are written based upon very similar assumptions, and investor assets are simply concentrated into few hands. Stress can tip a precarious balance. Hedge funds do not have 'captive' capital and investors are often flighty and thusly, short-term challenging performance can lead to redemptions which leads to liquidation which feeds upon itself in a self-reinforcing loop. The banks certainly are not the liquidity providers that they once were, and, we

believe this scenario presents the potential for further market stress from leveraged players forced to exit through a narrow door.

This is one reason that Eagle's View tends to invest in strategies that are outside the mainstream and we believe will not suffer if these type of events occur. We believe the fact that we suffered little stress during October helps to reinforce our hypothesis. We believe strategies such as electricity arbitrage, capitalizing upon structural inefficiencies in shipping derivatives, equity lines of credit in Australia and UK, algorithmic pattern recognition, energy volatility arbitrage, etc. fall outside the boundaries of the more common and highly capitalized mainstream strategies. In short, part of the risk management construction of the Eagle's View portfolio seeks to take this into account.

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.

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Kindest regards,

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