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July 23rd, 2015

Dear Partner,

Welcome to the performance update of Far View Partners L.P. for the half-year ended June 30, 2015.

Portfolio Performance

During H1 2015, Far View Partners generated a return of +0.50% net of all fees and expenses comprised of -1.85% in Q1 2015 and +2.39% in Q2 2015. Since inception on July 1st 2011, Far View Partners has generated a cumulative net return of +74.70%.

H1 2015 was a productive period for the Partnership as Far View put capital to work in new positions including one new large investment. The Partnership also exited smaller investments in an attempt to prune the portfolio and reallocate capital to higher conviction ideas. More importantly, Far View's investment process continued to improve in H1 2015 relative to prior periods. This continuous process improvement will be the engine that drives future Partnership returns.

At June 30, 2015, the Partnership's portfolio consisted of long investments in the North America, Europe, and Asia, a short position in the U.S., an option position in the U.S., and a moderate cash position.

Process: Growing Intrinsic Value

As I review Far View's track record over its first four years, one factor has been quite consistent: the Partnership has done better when it has invested in firms with growing intrinsic value. An undervalued security with growing value provides two avenues to generate returns, the eventual reduction of the valuation discount and the continued growth of the value of the business. Thus, the passage of time acts as a tailwind improving long-term investment returns because, as long as a company continues to grow intrinsic value, the security needs to eventually advance in similar fashion to shrink the increasing margin of safety.

While this concept appears simple, I have historically found it tempting to buy securities with flat/shrinking intrinsic value if the discount appears large enough. Instead of enjoying a tailwind, these investments suffer from a race against time, hoping that investor sentiment will shrink the gap between price and value before a declining share price closes it in a less rewarding fashion.

Another important positive of investing in companies with increasing value is that my trading behavior improves. If I remain confident that the company's value will be significantly higher in the future, I am better able to maintain a long-term perspective and am more likely to benefit from the full upside of the opportunity. As an example, when Far View initiated the Delclima position in January 2012 (discussed in the Q2 2012 letter), I estimated the potential upside at e1.35 per share, an attractive return with the stock

trading below €0.50. Because the continued growth of Delclima's intrinsic value allowed the risk-reward to remain attractive, Far View has been able to benefit from the share price's continued appreciation. DLC remains a part of the Far View portfolio even though its share price of over €2 at June 30th was well in excess of the initial target price.

Conversely, securities with a flat or declining intrinsic value tend to drive more frequent trading as strong share price performance worsens the risk-reward. For example, a security with an unchanging upside of \$20 and downside of \$8 is much less attractive if it advances from \$10 to \$15, and this performance often leads me to sell at least a portion of the position due to the poorer risk-reward. While this short-term trading generates realized profits, it also results in the investment's actual risk-reward being much less attractive than the risk-reward estimated in the write-up. If Far View is unlikely to realize the full upside profit while remaining exposed to the entire downside loss, then the position's risk-reward is less attractive in practice than it appears in theory.

Of course, it is critically important to find securities with growing intrinsic value when they are materially mispriced and where Far View has an edge with regards to its investment thesis. Intrinsic value growth is not solely revenue growth but comprises any lever that could enhance long term business value including margin expansion, high return capital expenditures, accretive acquisitions and divestures, capital structure optimization and removal of value dilutive overhangs. Far View searches for situations where this growing value is underappreciated, often due to a special situation, a misunderstanding about the nature of the business, or an overhang that prevents most investors from properly valuing the security. To find these underappreciated investments, I investigate and (more importantly) quickly discard a large number of securities. While this rapid initial analysis means that the Partnership will certainly miss opportunities, it also allows for the casting of a very broad net in looking for the most attractive investments.

Finally, ongoing diligence is especially important in these situations because the company's intrinsic value growth must continue for the risk-reward to remain attractive. While these securities allow for greater patience with regards to share price appreciation as long as the investment thesis remains intact, they also require more decisive action once it is no longer valid. To combat this risk, I constantly search for threats to company's progress that might invalidate the key tenets of the thesis.

Portfolio Investment: Halogen Software

Halogen Software (HGN) represents an example of a mispriced company that is rapidly growing intrinsic value. Far View found HGN in the middle of 2014 while running an ongoing screen for insider buys at companies with share prices near 52 week lows. At the time, HGN's share price had declined from its post-IPO peak near CAD 16 to CAD 8 as Canadian investors had become concerned about the company's long path to profitability.

Far View found HGN attractive due to its best-in-class suite of mid-market talent management software-as-a-service (SaaS). Through conversations with current and former HGN employees, talent management competitors, and customers of HGN and its competitors, Far View gained confidence that HGN enjoyed a leading position in the middle-market HR software niche due to its highly awarded product suite and best-in-class customer service experience. The company also enjoyed a large opportunity for customer growth as over 90% of its ~\$15 billion addressable market still used severely outdated legacy processes (pen and paper, Microsoft Excel etc.) that did not represent a viable long-term solution.

New customer additions were very valuable to HGN because the company generated over 100% dollar retention rates as the core products became mission critical to HGN's customers and they began to subscribe to a larger number of offerings in the product suite. This high revenue recurrence meant that new customers represented a very attractive, long-term return on the company's marketing and sales force

investment. Thus, HGN management's choice to sacrifice near-term results by funding a massive sales force expansion appeared to be a very attractive use of capital for generating attractive long-term returns.

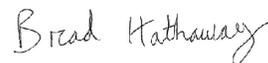
As a broken IPO with a private equity shareholder overhang, HGN faced significant equity market skepticism. Furthermore, the company's core Canadian institutional investor base had limited experience with SaaS companies and was overly focused on HGN's lack of near-term profitability and misunderstood the value of a low churn subscription business investing to significantly grow its customer base in an underpenetrated market. These factors contributed to this valuable stream of recurring revenue with consistent 20% growth being valued at a small fraction of comparable SaaS public market peers and private market transactions. Furthermore, continued growth of this recurring revenue will lead to consistent increases in HGN's intrinsic value and should drive attractive long-term returns.

The Partnership

As a result of new regulatory capital requirements, J.P. Morgan has decided that it will no longer clear trades from introducing brokers, including Wells Fargo, Far View's prime broker. As a result of this decision, Far View was forced to find a new clearing relationship and introducing broker. After considering several options, the Partnership changed to Maxim Group LLC as its introducing broker with Pershing LLC as the clearing bank. This transition was completed at the end of May 2015. Far View has been successfully trading with Maxim/Pershing during June and July and expects limited impact for the Partnership going forward.

As always, it is my goal to work with limited partners who understand and support the Partnership's investment strategy and processes. To that end, please feel free to contact me if you have any questions or thoughts about the Partnership or my investment philosophy. As Far View Partners' largest investor, I remain very excited for its long-term outlook. Thank you very much for your continued trust and support.

Sincerely,



Brad Hathaway
Managing Partner

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