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October 26, 2012

Dear Partner,

Welcome to the performance update of Far View Partners L.P. for the quarter ended September 30, 2012.

Portfolio Performance

During Q3 2012, Far View Partners generated a return of +9.94% net of all fees and expenses. For the first nine months of 2012, the Partnership produced a total net return of +16.61%. Global equity markets rallied during the third quarter as investors reacted positively to the Federal Reserve's announcement of additional monetary easing and became increasingly optimistic about a potential positive resolution of the European debt crisis. Far View Partners benefitted from strong performances throughout its portfolio, with Delclima (discussed in the Q2 2012 letter) performing particularly well as its share price recovered losses incurred in the prior quarter. During Q3 2012, the Partnership initiated one new large position in a mispriced, small-cap Norwegian spin-off with a highly favorable risk-reward and took advantage of strong equity markets to exit investments that had become less attractive.

Process: Concentration

Far View Partners employs a concentrated investment strategy where a small number of positions utilize a large portion of the Partnership's capital. At the end of Q3 2012, the Partnership's top five positions comprised over 70% of the investment portfolio (excluding cash). These large investments represent opportunities that appear to be severely mispriced with strong downside protection and multiple options for attractive investment returns. In the fifteen months since its inception, Far View Partners has made seven of these "major" (at least 8% of capital at any given point) investments. Despite representing a minority of portfolio additions by number over that period, these investments have generated over 99% of the Partnership's cumulative gross returns and have all enjoyed positive performance.

While a limited sample, these results help demonstrate the value of a concentrated investment strategy. Because mispriced securities are infrequent and difficult to uncover, an investor must be willing to take significant positions to fully benefit from these attractive opportunities. By patiently refusing to invest in mediocre investments and acting aggressively when presented with a great risk-reward, the Partnership has the highest likelihood of achieving sustainable outperformance.

Portfolio Investment: Ferrovia

Far View Partners searches for securities that are misunderstood by the market as these opportunities are more likely to provide an attractive risk-reward. Earlier this year, Far View Partners initiated a position in Ferrovia (FER), a Spanish-listed construction and services firm whose share price had been battered due to the company's perceived exposure to its home market. When the position was initiated, investor worries about the weakness of Spain's economy and government finances had caused its stock market to decline an additional 25% from its already depressed levels at the start of 2012. Due to its Spanish listing, sizeable weight in the IBEX 35 Index, and presumed link to the Spanish domestic economy, FER's share price was highly correlated with the Spanish stock market and suffered a similar decline.

However, FER's actual Spanish exposure is far lower than implied by the movement of its share price. Along with its construction and services business, FER owns minority stakes in multiple global infrastructure projects. The company's two largest investments in this portfolio, the E407 toll road in Toronto and BAA Airports (whose main asset is London's Heathrow Airport), represent over 60% of FER's total net asset value and are not highly exposed to the Spanish economy. Furthermore, 50% of the company's core construction and services business operates outside of Spain, leaving FER's Spanish exposure at less than 25% of the company's net asset value. While investors appeared to treat FER like a Spanish equity, the vast majority of the company's value is derived from outside its home market. This misunderstanding created an opportunity for Far View Partners when the Spanish equity market collapsed during Q2 2012.

After understanding why FER might be mispriced, the next goal was to determine whether the security was actually materially undervalued. While performing due diligence on the company, it quickly became clear that the E407 and BAA were valuable infrastructure assets. Because FER had recently sold portions of the E407 and BAA to sophisticated institutional investors, both assets had readily assessable market values that supported a higher share price for FER. The combination of well-supported values for these two critical investments and a strong parent company balance sheet provided Far View Partners with strong downside protection for the FER investment and multiple avenues for attractive upside.

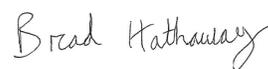
Soon after the Partnership took an initial position, investors became increasingly optimistic about the European debt crisis, leading to a substantial recovery rally in the Spanish equity market and FER. As a result of its higher share price without a change in the Partnership's estimate of net asset value, FER's undervaluation became much less glaring. Furthermore, improved investor sentiment about Spain removed the overhang that had created the potential mispricing. Thus, Far View Partners took advantage of the rapid rise of FER's share price and the Spanish equity market to eliminate the position at the end of Q3 2012. Despite the Partnership's long-term investment horizon, I believe it is important to prudently take short-term profits when an investment thesis is no longer valid and a security's risk-reward has worsened.

The Partnership

In an effort to improve the processes of Far View Capital Management, I am continually seeking to add resources to the firm, especially in areas that fall outside of my core competence. During Q3 2012, Far View Partners contracted with Core Fund Solutions to provide the services of a chief financial officer to the Partnership. By helping to manage our growing internal operations, this arrangement should help Far View Partners continue to evolve and create a strong infrastructure for long-term success.

As always, it is my goal to work with limited partners who understand and support the firm's investment strategy and processes. To that end, please feel free to contact me if you have any questions about Far View Partners and my investment philosophy. As the largest investor in the Partnership, 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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