Eagle News

Eagle Equity Holdings, LLC

Q2 – 2018

Energy Fund II

Looking Back

WTI crude oil prices started Q2 2018 at around $65. A strong rally in April pushed prices up to $72 before pulling back and retesting the $64 level before OPEC's June meeting. OPEC agreed to increase production by 1 mmbpd, which was less than market expectation, causing WTI to resume its rally and run to the $75 level by the end of the quarter.

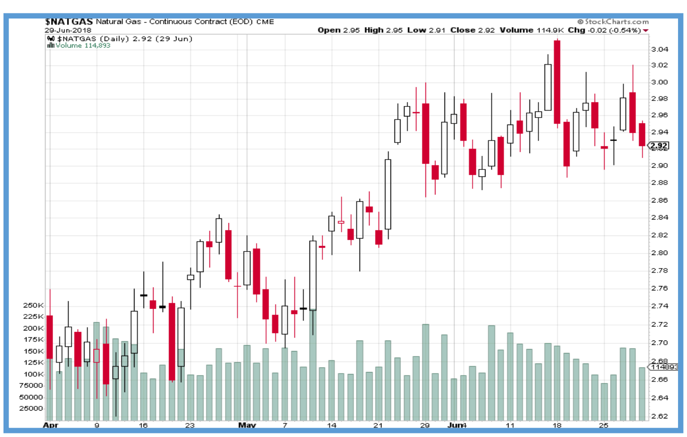
US oil production continues to increase reaching 10.9 mmbpd. While not a surprising, production is getting close to another key psychologic level.

In addition to production, US supply has also been strong, which is providing support to WTI prices. Weekly US supply ranges between around 20-21 mmbpd.

Total weekly US rig counts (both oil and gas), as reported by Baker Hughes have been steadily increasing, reaching around 850 oil production rigs, and now seem to be leveling off.

Geopolitical tensions with Iran, and the continued deterioration of Venezuela, also added bullish sentiment to the market.

Natural gas EOS storage dropped to 1.2 TCF, which is almost 20% below the 5-year average. However, the large winter draws failed to push Henry Hub natural gas price above $3 per mmbtu.



Eagle Focus

Looking Back:

- WTI prices rallied to $75 after the OPEC meeting
- Natural gas remained below $3 per mmbtu
- Tensions between the US & Iran added a geopolitical price premium

Looking Forward:

- We believe oil prices have more upside this year
- Strong global demand, reduced production, and inventories have provided support to oil's recovery
- Iran and Venezuela continue to be the gray rhino's of oil prices
- President Trump trying to talk oil price down could add volatility
- Supply disruptions with Libya and Canada are bullish for summer oil prices
- Ample natural gas supplies are keeping a lid on spot prices

Investment Opportunities:

- Oil market sentiment is turning more bullish
- The mid-stream bottleneck in the US will limit production growth
- The strong global economy will continue push oil demand above supply throughout 2018
- Trade tariffs and US sanctions could impact financial markets and commodities

Eagle News

EAGLE EQUITY HOLDINGS, LLC

Q2 – 2018

Looking Forward

OPEC and Russian production increases, and trade tariffs between US and other countries are bearish for oil prices and related equities. Production disruptions with Libya and Canada, The US imposing export restriction on Iran, Venezuela's production decline, and a strong US economy are all bullish factors. We believe there are more bullish indications to support WTI's continued push higher, ultimately reaching the $80 level in H2 2018.

Oil related equities are lagging the rise of commodity prices and should begin to do catchup in the coming months.

Natural gas on the other hand, is harder to predict. Historically low storage levels have failed to elevate natural gas prices. We expect natural gas prices to range trade round $3 per mmbtu for the foreseeable future.

Investment Opportunities

We are seeing strong positive momentum with oil commodities and related equities. Both should continue to rally into the summer.

We have focused our investment strategy to profit from rising crude oil and related petroleum prices, and are positioned to benefit from the related impacts to underlying energy equities.

Eagle Equity Holdings—*new* Registered Investment Advisor service Coming in Jan 2019

2018 is our third year of managing Eagle Energy Fund II and Eagle Equity Holdings is ready to bring our investment service to the next level. Starting in Jan 2019, we will be offering all investors our new Registered Investment Advisor (RIA) service. This RIA model will provide investors unrestricted fund access, investment flexibility and direct monitor of their individual accounts. We have partnered with Interactive Brokers (IB) to facilitate this transition. Under our new RIA model, investors will setup their own investment account with IB and can choose from multiple investment strategies. More information will be provided in coming months.