Eagle News

Eagle Equity Holdings, LLC

Q4 – 2016

Energy Fund II

Looking Back

WTI started Q4 at around $48, dipping as low as $42 before recovering and ending the quarter around $53, resulting in a hard earned 10% gain.

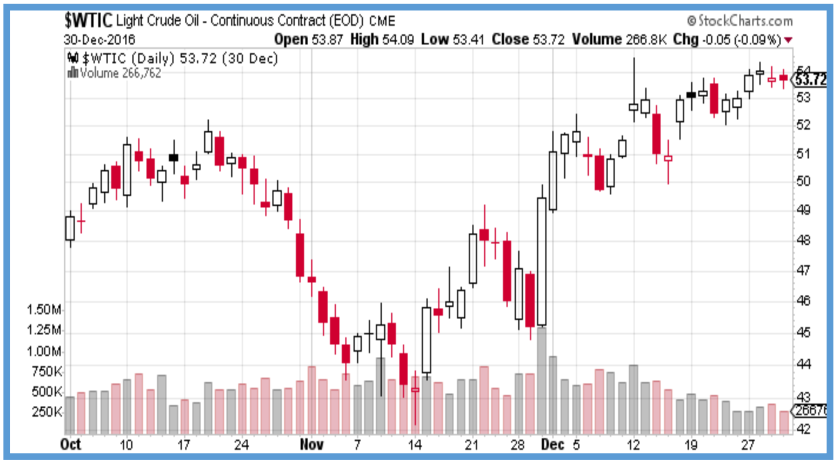
The main event in Q4 had to be the November 30th last minute agreement by OPEC to cut production levels. This represented the first OPEC production cut since 2008.

This was followed by an additional production cut agreement between OPEC and a number of non-OPEC members, including Russia. A non-OPEC production agreement had not been reached in over 15 years.

There were many stories in the news (both bullish and bearish) as to whether an OPEC agreement would be reached, and eventually held.

Natural gas ended the 2016 injection season at 4.04 TCF, which was slightly higher than expectations. A late start to winter was the main reason and as a result prices pushed down to the $2.08 per mmbtu level by mid-November. A swift cold front moving across the nation in early December pushed spot prices to as high as $3.80 per mmbtu (an 82% increase from the November low).

We are now in the most historically volatile season for natural gas trading and So far, it has not disappointed. Spot prices began to pullback towards the end of Dec. While we see this as ultimately a good opportunity, we expect weather driven volatility to continue through January into February.



Eagle Focus

Looking Back:

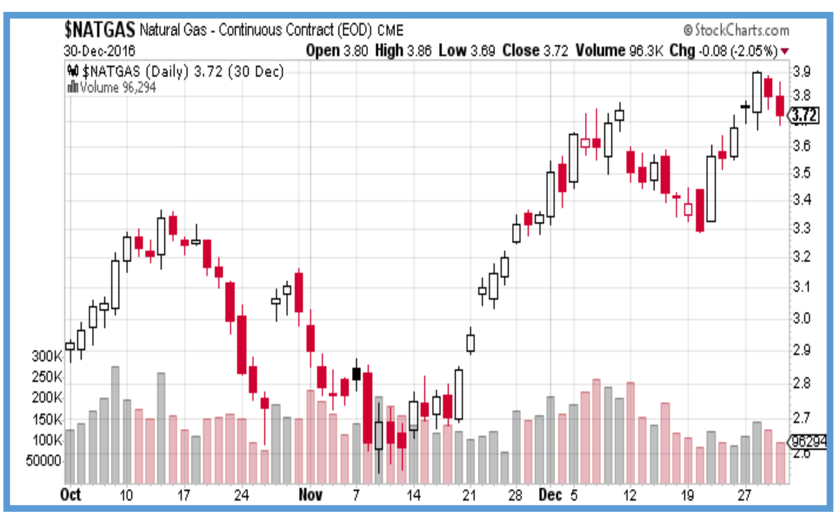
- OPEC and non-OPEC members agreed to cut production
- A late start to winter pushed natural gas stocks above expectation

Looking Forward:

- The Market will be monitoring the actual OPEC and non-OPEC members production closely
- For natural gas, it is all about weather now

Investment Opportunities:

- With oil price stabilized and fundamental turning bullish, we should see capital gain opportunities with energy related equities continue into 2017
- The newly elected president and his key nominees are pro-energy and pro business



Eagle News

EAGLE EQUITY HOLDINGS, LLC

Q4 – 2016

Looking Forward

A number of bullish fundamental factors are beginning to take shape - OPEC and non-OPEC members agreeing on production cuts; the new president choosing energy executives for key cabinet roles; and consecutive China PMI numbers holding above 50 are all good signs for Energy. For the next few months the only thing that matters with natural gas is **weather**.

Investment Opportunities

We continue to focus our investment strategy to profit from higher near term crude oil and natural gas prices, and are positioned to benefit from the related impacts to underlying energy equities as the earning season approaches.

A number of bullish factors have recently aligned which should continue to support oil prices.

We believe the long term supply & demand fundamentals are changing with natural gas but near term weather related volatility could be a rocky ride.

The new president and his cabinet nominees are pro-energy business. We believe 2017 will continue to be another good year for energy and related investments.

Dear Eagle—Q&A

What is the energy policy of the newly elected president and his key cabinet nominees?
President Elect Donald Trump has already nominated a few key energy executives to his cabinet: Ex-Governor of Texas, Rick Perry, as Energy Secretary; Exxon CEO, Rex Tillerson, as Secretary of State; Oklahoma Attorney, Scott Pruitt, as EPA Administrator; and Rep. Ryan Zinke, as Interior Secretary. This group have been outspoken critics of some of the existing EPA climate change policies and are strong proponents of developing a strong energy independence policy.

Trump and his team have announced key energy initiatives including: retracting some of the EPA's climate change policies and restrictions; increasing domestic energy production; removing obstacles hindering new nuclear and hydro power plant construction; reducing government incentives for certain alternative energies; and increasing exports of crude oil, petroleum products and natural gas.