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Q3 - 2017 Letter to Investors

Dear Partners and Shareholders,

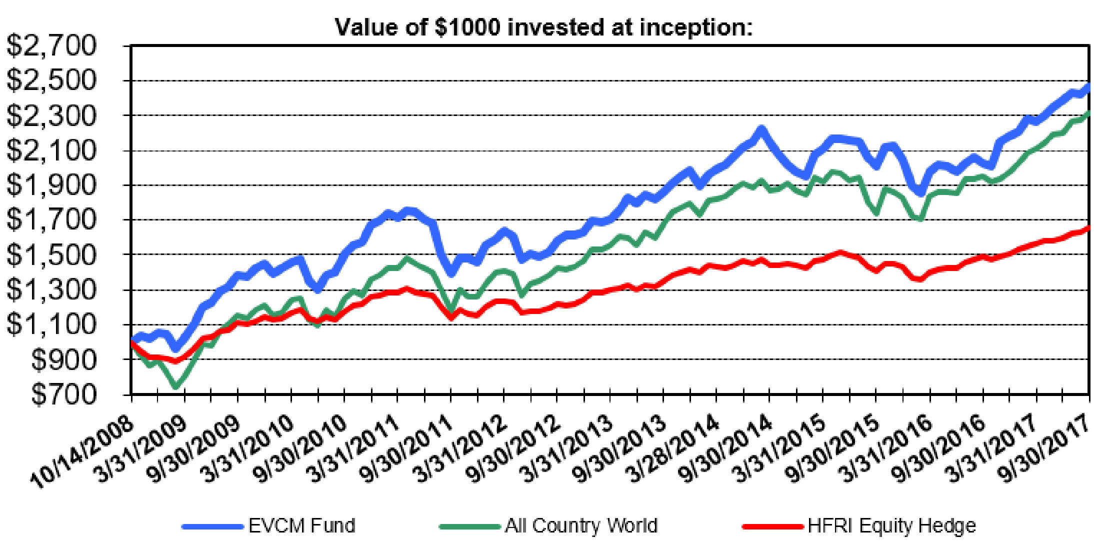
For the third quarter of 2017, EVCM fund returned an estimated +3.2% net to investors. Stock markets worldwide were up with the All Country World Index (ACWI) and the HFRI Equity Hedge Index up +5.2% and +3.5% respectively.

Fund Performance (Net to Investors)

	September	Q3	YTD	Cumulative Since Inception (10/15/08)	Annualized IRR Since Inception (10/15/08)
EVCM Fund – Net to Investors	**+1.6%**	**+3.2%**	**+12.6%**	**+146.2%**	**+10.6%**
MSCI All Country World Index Net	**+1.9%**	**+5.2%**	**+17.2%**	**+131.5%**	**+9.8%**
HFRI Equity Hedge Index	**+1.4%**	**+3.5%**	**+9.6%**	**+65.3%**	**+5.8%**

** The 2017 results reported are unaudited estimates and may be subject to change.*
** Individual investor net returns will vary due to the timing of one's investment.*

Since inception (10/15/2008), EVCM Fund returned an estimated +146.2% (net to investors). During this same time period the MSCI All Country World Index (ACWI) and the HFRI Equity Hedge Index returned approximately +131.5% and +65.3% respectively.



Q3 Market & Portfolio Overview:
Stock markets continued their slow march upwards in Q3, ignoring a particularly nasty hurricane season and continued war rhetoric on the Korean peninsula. We made few changes to our portfolio in Q3 beyond routine position size adjustments, so this letter will be relatively brief.

Top 10 longs and short

Top 10 Longs	As % NAV	Top 10 Shorts	As % NAV
Korea Preferred Stocks Basket	19.4%	EWY – ETF	13.3%
US Financials Basket	16.3%	TNA – ETF	5.3%
Berkshire Hathaway	6.5%	UNG – ETF	4.5%
Fiat Chrystler	6.0%	XLU – ETF	4.2%
Howard Hughes Corp	5.1%	USO – ETF	4.1%
General Motors	4.8%	Caterpillar	2.5%
Amerco	4.5%	Total	33.9%
Discount Bank	4.3%		
Bank Leumi	4.2%		
Interactive Brokers	4.2%		
Total	75.2%		

Below, we will go into greater detail on some of these positions. For now, however, we think it is important to point out that our top 10 longs make up over 75% of our long exposure. As of quarter-end, we were 97% long and 34% short. Our overall net exposure level of 63% reflects the compelling bargains we are finding in global stock markets combined with our short and hedge positions.

We continue to conclude that the US, Israel, and South Korea are the three countries were most of our capital should be invested. All three are true capitalist democracies, enjoy favorable demographic trends, and are the world leaders in technological innovation – the driving force behind today's economic growth.

The following table shows how our capital is allocated geographically.

Fund Exposure by Geography

	US	Europe	Asia (Korea)	Israel	LatAm	Global/ Mixed
Long	31.0%	0.0%	22.1%	10.1%	0.0%	33.7%
Short	18.1%	0.0%	13.3%	0.0%	0.0%	2.5%
Gross	49.1%	0.0%	35.4%	10.1%	0.0%	36.2%
Net	12.9%	0.0%	8.8%	10.1%	0.0%	31.2%

Our main contributors in Q3 - 2017:

Main contributors to our returns in Q3-2017 include: General Motors, Fiat Chrysler, Basket of US financials & TARP warrants and Interactive Brokers. Below are short discussions of these positions.

General Motors

General Motors continued its multi-year transformation. From a mismanaged, highly cyclical company mostly controlled by its labor unions, GM has become a well-managed highly profitable and innovative corporation run for the benefit of its shareholders. We were glad to see the divestiture of the loss making European operations as an additional important step in this transformation.

GM recently unveiled part of its extensive R&D efforts in self driving cars, electric cars and transportation as a service. Analysts following the company came to realize that these emerging technological areas were not just a risk factor for GM, but also a potential business opportunity. The stock increased significantly as a result, yet still remains cheap trading for about 6X annual free-cash-flow of $10B with a 3.6% dividend yield.

Fiat Chrysler

Good financial results combined with the emergence of several potential acquirers propelled Fiat Chrysler's stock up significantly. Investors were initially skeptical that the company would meet its five year plan and earnings projections, announced in 2013, and reacted favorably when it became clearer that it probably will. Under legendary CEO Sergio Marchionne, we remain confident that Fiat Chrysler has a very bright future.

A merger between GM and Fiat Chrysler, if it can be approved by regulators, makes tremendous business sense. The companies have minimal overlap between their vehicle brands and could achieve several billion dollars in annual cost savings. Fiat Chrysler remains cheap, trading for under 7X annual free-cash-flow of $5B.

Basket of large cap US financials including TARP warrants

The large cap US financial companies in our basket continued increasing in Q3 based on mostly good financial results. The new Republican administration is expected to reduce corporate income taxes, roll back financial regulations and lead to higher interest rates. All three actions should increase the profitability of financial firms.

For example, if in a few years interest rates are 2% - 3% higher than today and corporate taxes are 20% lower, then Citibank could earn a 12% - 14% ROE which could justify a 1.5 price to tangible book value multiple (currently under 1.1). Combined with 8% annual book value growth over the next 5 years, this scenario could result in Citibank's stock price doubling.

Interactive Brokers

Interactive Brokers offers the world's lowest cost and most technologically advanced securities brokerage services. By relentlessly focusing on automation of back office tasks and expanding into ever more markets, the company has created a significant cost and coverage advantage over competing brokerages which it mostly passes on to its customers. We think that over the next two decades, IBKR can disrupt the traditional brokerage industry. IBKR's stock increased in Q3 as the company continued to wind down its non-core market making business and grow its brokerage business. At over 30X next year's earnings, IBKR is the most expensive stock that we own, yet we think the price is justified given its huge future growth runway.

Our main detractors in Q3 - 2017:
The only significant detractor from fund performance in Q3 was our basket of Korean Preference Shares.

Basket of Korean Preference Shares
The geo-political turmoil from North Korea finally caught up with our Basket of Korean Preference shares and the majority of the Preference shares in our basket posted small declines. We continue to think that a war across the Korean peninsula is unlikely but not impossible. To manage this risk, we have established a 13.7% short position in EWY, the South Korea ETF. We are still net long South Korea, via our Preference Shares Basket and our investment in Samsung Electronics, so this is only a partial hedge which will dampen short term declines in case of war. Ultimately, there is little doubt that South Korea and its allies will be victorious and recover from any war against North Korea.

The current average price discount in our basket between our preference shares and their respective common shares is above 50%. To put this large price discount in perspective, we note that the management of Samsung Electronics, Korea's largest company, has said that it views any price discount above 10% to be a buying opportunity. If, over the next 4 years, the average price discount narrows to a still large 30% and we assume 8% annual stock market returns and a 2% dividend yield, our basket should return about 20% per year.

Special Opportunity to Invest and/or Add Capital to EVCM Fund:
At the request of several investors, we have extended our special lower fees offer. Any new capital added into EVCM Fund from both new and existing investors until the end of 2017 will enjoy a permanently reduced fee structure of 1% management and 10% incentive fee (instead of our usual 1% management and 20% incentive fee). I think this is a good deal and a few months ago, I personally added over $100K to my existing EVCM Fund account.

Concluding Remarks:
Stock markets overall are no longer cheap and some commentators are once again predicting that we are close to the market top. Fortunately, we do not invest in stock market indexes. Rather, we own a carefully selected and researched portfolio of individual businesses that are both cheap and have bright futures. As long as we are correct about the respective investment thesis that we have for each business we own, we will earn good returns regardless of what stock markets do.

The majority of our businesses continue to increase their value by growing their competitive moats, generating earnings and cash flows, investing in profitable growth opportunities and returning capital to shareholders via dividends and stock buybacks. We therefore remain very optimistic about our expected future returns.

Thank you, our investors and shareholders, for your continued trust and support of EVCM fund. As you know, I have the majority of my net worth invested alongside you in EVCM fund so I eat my own cooking. I continue to work tirelessly to protect and grow our capital and look forward to reporting further strong returns in the future.

Sincerely Yours,
Ori Eyal
Managing Partner

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An investment in the Fund may be deemed speculative and is not intended as a complete investment program. It is designed only for sophisticated persons who are able to bear the risk of the substantial impairment or loss of their investment in the Fund. The Fund is designed for investors who do not require regular current income and who can accept a high degree of risk in their investments. Prospective investors should carefully consider the risk factors specified in the Offering Memorandum before making a decision to invest in the Fund.