

Second Quarter 2014 Letter

Dear Investors,

US Markets were strong once again in the recently ended quarter. On an aggregate basis, accounts managed by Motiwala Capital returned 5.6% and 7.3% in the second quarter and first half 2014 respectively. In this quarter, our buying activity was quite less by historical standards. The performance information is shown in the table below:

Year	S&P 500	Motiwala Capital
2011*	-1.7%	4.9%
2012	16.0%	20.3%
2013	31.9%	33.2%
YTD 2014	7.1%	7.3%

See important notes at the end of the letter for more information.

Portfolio Activity

Special Situations:

We participated in six new special situations in the quarter all of which were share tenders. The tenders were mildly profitable overall.

Our portfolio company National-Oilwell Varco (NOV) spun off its distribution segment into a new public company Now Inc (DNOW). Both NOV and DNOW appreciated post the spin. I sold DNOW shares as I felt they were fairly valued. We retain our shares of NOV.

Generals:

Portfolio exits and new positions: We did not purchase or exit any position in the portfolio in this quarter.

Generals: Reduced positions: Last quarter we were adding to our position in Prosafe (PRSEY) on share price weakness. This quarter the shares appreciated nicely and we pared back our position. We trimmed our position in Apple (AAPL) which moved up nicely after the earnings report and on increased buyback and dividend announcement. We also took some profits in Hess Corp (HES) and Visteon Corp (VC) as shares continued their ascent. North Atlantic Drilling (NADL) signed a multi-year agreement with Russian E&P giant Rosneft. Shares appreciated nicely on this deal and we scaled back our position.

Generals: Increased positions: During the quarter we increased our position in Outerwall (OUTR) on share price decline and a couple of micro-caps.

ValueX 2014 Presentation: I had the opportunity to attend the well organized ValueX Vail conference for the second time. It was nice to meet fellow investors, exchange ideas and have some relaxed time in the lovely mountains of Vail. I also had the privilege to present an idea at the conference. I presented a current portfolio holding Blucora (BCOR). The presentation can be found on at <http://tinyurl.com/klsoz4v>

If you have never visited Rocky Mountain National Park (stay at Estes Park) and Vail, Colorado, I highly recommend you take a trip there.

I am grateful to everyone who has entrusted me with their capital and appreciate all the referrals. Please contact me if you are interested in our managed account services.

Sincerely,

Adib Motiwala
Portfolio Manager
817.689.5115

This commentary candidly discusses a number of individual companies. These opinions are current as of the date of this commentary but are subject to change. All information provided is for information purposes only and should not be considered as investment advice or a recommendation to purchase or sell any specific security. While the information presented herein is believed to be reliable, no representations or warranty is made concerning the accuracy of any data presented. This communication may not be reproduced without prior written permission from us.

Past performance is no guarantee of future results. Motiwala Capital performance is computed on a before-tax time weighted return (TWR) basis and is net of all paid management fees and brokerage costs. Performance figures are unaudited. Performance of individual accounts may vary depending on the timing of their investment, the effects of additions, and the impact of withdrawals from their account. 2011 performance is from the period March 14, 2011 to Dec 31, 2011. The same period was used for S&P 500 and Motiwala Capital. Trades and position specific gains/losses highlighted in these letters are taken from a representative account. Not all accounts may have the same trades and the same gains/losses as reported.