

**OVERVIEW**

Eschler Asset Management LLP is an independent asset management company headquartered in London, UK specializing in equity investing. Eschler Recovery

**PERFORMANCE**

USD B Share Class		Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	YTD
	<b>2012</b>										1.20%	-0.18%	6.96%	<b>8.05%</b>
	<b>2013</b>	9.71%	-2.74%	1.22%	-7.45%	4.96%	-6.60%	3.46%	2.63%	-6.23%	2.50%	-1.72%	2.16%	<b>0.42%</b>

**RISK-RETURN ANALYSIS** (fund information accurate as of December 31, 2013)

Fund Value (USD millions)	3.2
December 2013 Return (USD)*	2.16%
Net NAV and ITD Return (October 8 201: USD B	108.51
Predicted Volatility (daily, annualized, % of NAV)	16.7%
% Days up	51.3%
% Days down	48.7%

**DELTA-ADJUSTED PORTFOLIO EXPOSURE**

Long equity	97%
Short equity	-21%
Gross	118%
Net	76%
Beta Adjusted Net	40%

**REGIONAL EXPOSURE** (December 31, 2013, as % of NAV, before delta-adjustment)

	Long	Short	Gross	Net
Europe	10%	-3%	13%	7%
Americas	77%	-18%	95%	59%
Asia	10%	0%	10%	10%
Index Options	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>97%</b>	<b>-21%</b>	<b>118%</b>	<b>76%</b>

**SECTOR EXPOSURE** (December 31, 2013, as % of NAV, before delta-adjustment)

	Long	Short	Gross	Net
Financial/Property/HoldCo	40%	-1%	41%	39%
Materials	32%	-1%	33%	31%
Energy	10%	-2%	12%	8%
Healthcare	12%	-4%	16%	8%
TMT	4%	-3%	7%	1%
Industrials	0%	0%	0%	0%
Utilities	0%	0%	0%	0%
Country	0%	0%	0%	0%
Index Options	0%	0%	0%	0%
Consumer Discretionary	0%	-5%	5%	-5%
Consumer Staples	0%	-6%	6%	-6%

**TOP FIVE EQUITY POSITIONS** (ranked by % of NAV)

Position	% NAV
Gold/Silver Stock Basket	31.0
Markel	11.1
Dolphin Capital Investors	10.2
Chesapeake Energy	9.6
Vinaland	8.4
<b>% of NAV</b>	<b>70%</b>

**CONTACT INFORMATION**

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**PORTFOLIO CHARACTERISTICS**

Number of Long Equity Positions*	9
Number of Short Equity Positions	13
Top 10 Longs as % Equity	97%
Top 10 Shorts as % Equity	-21%

**DELTA-ADJUSTED MARKET CAP EXPOSURE**

	Long	Short	Gross	Net
Large (>\$5 Bil)	28%	-11%	39%	17%
Mid (\$1Bil - \$5 Bil)	7%	-9%	16%	-2%
Small (<\$1 Bil)	62%	-1%	63%	61%
<b>Total</b>	<b>97%</b>	<b>-21%</b>	<b>118%</b>	<b>76%</b>

**REGIONAL ATTRIBUTION** (bp contribution to annual total return)

	Long	Short	Net
Americas	227	-60	167
Europe	16	0	16
Asia	46	0	46
Index Options	0	0	0
FX	-13		-13
<b>Total</b>	<b>276</b>	<b>-60</b>	<b>216</b>

**SECTOR ATTRIBUTION** (Ranked contribution to monthly total return)

	Best to Worst
Financial/Property/HoldCo	1
Industrials	2
Energy	3
TMT	4
Healthcare	5
Consumer Staples	6
Materials	7
Utilities	NA
Consumer Discretionary	NA

**STOCK ATTRIBUTION: TOP & BOTTOM 5** (ranked contribution to annual total return)

	Best
+Long Chesapeake Energy (USA)	1
+Long Dolphin Capital Investors (UK)	2
+Long Daihatsu Diesel (Japan)	3
+ LongInfuSystems Holding (USA)	4
+ Long Greenlight Re (Bermuda)	5
Worst	
-Long Gold/Silver Stock Basket (North America)	1
-Short e-Commerce company (UK)	2
-Short multi-level marketing company (USA)	3
-Short solar company (USA)	4
-Short cloud software company (USA)	5

**TERMS**

Management/Incentive Fees	0% / 25% over 6%
Liquidity	Quarterly, 30 Days / Monthly Subscriptions
Prime Broker	Morgan Stanley Int'l
Custodian	Morgan Stanley Int'l
Administrator	Trinity (Cayman)
Auditor	Baker Tilly (Cayman)
Domicile	Cayman Islands
Legal Counsel	Ogier

\*Past performance is not necessarily indicative of future results. Certain performance information presented herein contains unaudited estimates which will be adjusted when final. The foregoing should not be deemed an offer to sell or a solicitation of an offer to buy an interest in Eschler Recovery Fund SP.

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