

OVERVIEW

Eschler Asset Management LLP is an independent asset management company headquartered in London, UK specializing in equity investing. Eschler Recovery Fund SP invests in a concentrated portfolio of securities with strong recovery potential. Recovery Fund SP is a segregated portfolio of Eschler Global Fund SPC and commenced trading on 8 October 2012.

PERFORMANCE

USD B Share Class	2012	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	YTD
											1.20%	-0.18%	6.96%	8.05%

RISK-RETURN ANALYSIS (fund information accurate as of December 31, 2012)

Fund Value (USD millions)	2.6
Q4 2012 Return (USD)*	8.05%
ITD Return (October 8 2012 Inception)	8.05%
Predicted Volatility (daily, annualized, % of NAV)	11%
% Days up	64%
% Days down	36%

DELTA-ADJUSTED PORTFOLIO EXPOSURE

Long equity	95%
Short equity	-9%
Gross	104%
Net	86%
Beta Adjusted Net	71%

REGIONAL EXPOSURE (December 31, 2012, as % of NAV, before delta-adjustment)

	Long	Short	Gross	Net
Europe	24%	0%	24%	24%
Americas	66%	-9%	75%	57%
Asia	5%	0%	5%	5%
Index Options	0.0%	0.0%	0.0%	0.0%
Total	95%	-9%	104%	86%

SECTOR EXPOSURE (December 31, 2012, as % of NAV, before delta-adjustment)

	Long	Short	Gross	Net
Financial/Property/HoldCo	42%	0%	42%	42%
Healthcare	13%	0%	13%	13%
Materials	9%	0%	9%	9%
Energy	8%	0%	8%	8%
Industrials	5%	0%	5%	5%
Consumer Discretionary	0%	0%	0%	0%
Consumer Staples	0%	0%	0%	0%
Utilities	0.0%	0.0%	0.0%	0.0%
Country	0%	0%	0%	0%
Index Options	0%	0%	0%	0%
TMT	6%	-9%	15%	-3%

TOP TEN EQUITY POSITIONS (ranked by % of NAV)

Position	% NAV
Greenlight Re	9.4
Fairfax Financial	8.8
TVC Holdings Plc	8.8
Dolphin Capital Investors	8.4
Chesapeake Energy	8.2
Small Cap Gold Stock Basket	7.5
Delta Lloyd NV	7.0
Level 3 Communications	5.9
Infusystem Holdings	5.3
Daihatsu Diesel	5.2

CONTACT INFORMATION

Theron de Ris
 Founding Partner
 Eschler Asset Management LLP
 Heathcoat House, 5th Floor, 20 Savile Row
 London W1S 3PR
 Tel: + 44 20 7659 4007
theron@eschlerasset.com
www.aschelerasset.com

PORTFOLIO CHARACTERISTICS

Number of Long Equity Positions	14
Number of Short Equity Positions	1
Top 10 Longs as % Equity	75%
Top 10 Shorts as % Equity	-9%

DELTA-ADJUSTED MARKET CAP EXPOSURE

	Long	Short	Gross	Net
Large (>\$5 Bil)	26%	-9%	35%	17%
Mid (\$1Bil - \$5 Bil)	7%	0%	7%	7%
Small (<\$1 Bil)	62%	0%	62%	62%
Total	95%	-9%	104%	86%

REGIONAL ATTRIBUTION (bp contribution to quarterly total return)

	Long	Short	Net
Americas	234	47	281
Europe	166	0	166
Asia	298	0	298
Index Options	0	0	0
FX	60	0	60
Total	758	47	805

SECTOR ATTRIBUTION (Ranked contribution to quarterly total return)

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

STOCK ATTRIBUTION: TOP/BOTTOM 5 (contribution to quarterly total return)

	Best
+Kenedix (Japan)	1
+Bank of America 2019 Warrants (USA)	2
+Research in Motion (Canada)	3
+Level 3 Communications (USA)	4
+Delta Lloyd NV (Netherlands)	5
	Worst
-Small Cap Gold Basket (North America)	1
-Chesapeake Energy (USA)	2
-Fairfax Financial (Canada)	3
-Gold Standard Ventures (USA)	4
-IC Potash (USA)	5

TERMS

Management/Incentive Fees	0% / 25% over 6%
Liquidity	Annual / Monthly Subscriptions
Prime Broker	Morgan Stanley
Custodian	Morgan Stanley
Administrator	Trinity (Cayman)
Auditor	Baker Tilley (Cayman)
Domicile	Cayman Islands
Legal Counsel	Ogier

*NAV calculated bi-annually June 30 and December 31. Interim monthly NAVs estimated by Manager. 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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