

**Eschler Recovery Fund SP**

**JANUARY 2014 NAV**

**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>
	<b>2014</b>	8.57%												<b>8.57%</b>

**RISK-RETURN ANALYSIS** (fund information accurate as of January 31, 2014)

Fund Value (USD millions)	3.4
January 2014 Return (USD)*	8.57%
Net NAV and ITD Return (October 8 2012 USD B	117.81 17.81%
Predicted Volatility (daily, annualized, % of NAV)	16.7%
% Days up	51.3%
% Days down	48.7%

**DELTA-ADJUSTED PORTFOLIO EXPOSURE**

Long equity	99%
Short equity	-25%
Gross	124%
Net	74%
Beta Adjusted Net	40%

**REGIONAL EXPOSURE** (January 31, 2014, as % of NAV, before delta-adjustment)

	Long	Short	Gross	Net
Europe	9%	-4%	12%	5%
Americas	80%	-22%	102%	59%
Asia	10%	0%	10%	10%
Index Options	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>100%</b>	<b>-25%</b>	<b>125%</b>	<b>74%</b>

**SECTOR EXPOSURE** (January 31, 2014, as % of NAV, before delta-adjustment)

	Long	Short	Gross	Net
Materials	40%	-1%	41%	39%
Financial/Property/HoldCo	37%	-1%	38%	36%
Healthcare	13%	-4%	17%	9%
Energy	9%	-2%	11%	7%
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%	-5%	5%	-5%
TMT	0%	-8%	8%	-8%

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

Position	% NAV
Gold/Silver Stock Basket	40.0
Vinaland	10.4
Markel	9.7
Dolphin Capital Investors	8.8
Chesapeake Energy	8.7
<b>% of NAV</b>	<b>78%</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	99%
Top 10 Shorts as % Equity	-20%

\*One position can be a stock basket

**DELTA-ADJUSTED MARKET CAP EXPOSURE**

	Long	Short	Gross	Net
Large (>\$5 Bil)	28%	-11%	39%	17%
Mid (\$1 Bil - \$5 Bil)	7%	-9%	16%	-2%
Small (<\$1 Bil)	64%	-5%	69%	59%
<b>Total</b>	<b>99%</b>	<b>-25%</b>	<b>124%</b>	<b>74%</b>

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

	Long	Short	Net
Americas	761	-20	741
Europe	-67	-54	-121
Asia	94	0	94
Index Options	0	0	0
FX	142	1	143
<b>Total</b>	<b>930</b>	<b>-73</b>	<b>857</b>

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

	Best to Worst
Materials	1
Healthcare	2
Consumer Staples	3
Energy	4
TMT	5

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

	Best
+Long InfuSystems Holding (USA)	1
+Long Detour Gold (North America)	2
+Long Vinaland (UK)	3
+Short Nu Skin Enterprises (USA)	4
+Long Primero Mining (North America)	5
	Worst
-Long Markel (North America)	1
-Long Dolphin Capital Investors (UK)	2
-Short E-retailing business (UK)	3
-Short Healthcare business (USA)	4
-Short consumer software business (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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