

Newsletter December 2010

TIGER FUND - Tiger Value Fund (FCP-SIF)

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Fund Information													
Launch date	12-Dec-08	Total Gross Exposure	85.0%	Total Long Exposure	70.5%								
AuM	€ 11,781,652	Total Net Exposure	55.9%	Total Short Exposure	14.5%								
Share Class A	NAV* € 1,324.15	WKN	ISIN	Bloomberg	Reuters								
Share Class B	€ 1,361.26	A0Q5LH	LU0400329677	TIGERAA LX EQUITY	LP68023199								
		A0RDZZ	LU0400329750	TIGERAB LX EQUITY	LP68023200								
Net Performance					Fund Performance vs. DJ CS HF Index L/S Equity since inception								
	Since inception	YTD	Sharpe Ratio										
Share Class A	32.42%	6.75%	1.47x										
Share Class B	36.13%	7.57%	1.61x										
Positions													
Number of Positions		Weightings (% of Gross)											
Long Positions	27	Long	Short										
Short Positions	7	Top 5	35.8%	15.3%									
Total No. Positions	34	Top 10	54.8%	17.1%									
Monthly Net Return													
Share Class A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008	-	-	-	-	-	-	-	-	-	-	-	0.003%	0.003%
2009	0.56%	1.73%	0.46%	2.87%	3.60%	5.51%	1.21%	4.35%	1.05%	0.62%	1.26%	-1.29%	24.04%
2010	0.50%	0.06%	2.22%	-0.32%	-3.08%	2.04%	0.05%	0.58%	3.25%	1.62%	0.18%	-0.41%	6.75%
2011	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Class B	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008	-	-	-	-	-	-	-	-	-	-	-	0.02%	0.02%
2009	0.62%	1.87%	0.52%	3.25%	3.90%	5.95%	1.34%	4.62%	1.08%	0.70%	1.38%	-1.26%	26.51%
2010	0.57%	0.10%	2.40%	-0.28%	-3.04%	2.08%	0.05%	0.62%	3.32%	1.80%	0.19%	-0.36%	7.57%
2011	-	-	-	-	-	-	-	-	-	-	-	-	-
Market Capitalisation													
	Pos. No	%Gross	Net Exp	Long	Short								
Large (>€5bn)	3	5.9%	-2.0%	1.5%	-3.5%								
Mid (>€1bn)	8	29.8%	5.2%	15.3%	-10.0%								
Small - Mid (€500m-€1bn)	3	7.5%	6.3%	6.3%	0.0%								
Small (€50m-€500m)	15	43.2%	34.8%	35.7%	-1.0%								
Micro (<€50m)	5	13.6%	11.5%	11.5%	0.0%								
Total	34	100.0%	55.9%	70.5%	-14.5%								
Geographic focus: DACH region (> 90%)													
Sector Exposure													
	Pos. No	%Gross	Net Exp	Long	Short								
IT	6	21.2%	18.1%	18.1%	0.0%								
Telecom Services	1	6.0%	5.1%	5.1%	0.0%								
Industrials/Materials	9	27.4%	11.8%	17.5%	-5.7%								
Financials	3	10.7%	9.1%	9.1%	0.0%								
Auto/Transport	3	5.4%	1.5%	3.0%	-1.5%								
Energy/Renewables	4	5.2%	-1.5%	1.4%	-3.0%								
Healthcare	2	8.3%	7.1%	7.1%	0.0%								
Media/Retail	5	10.9%	9.2%	9.2%	0.0%								
Future	1	5.1%	-4.3%	0.0%	-4.3%								
Total	34	100.0%	55.9%	70.5%	-14.5%								
Asset Allocation													
	Pos. No	%Gross	Net Exp	Long	Short								
Equity	28	78.9%	49.5%	58.3%	-8.8%								
Fixed Income	4	14.3%	12.2%	12.2%	0.0%								
Option	1	1.7%	-1.4%	0.0%	-1.4%								
Future	1	5.1%	-4.3%	0.0%	-4.3%								
Total	34	100.0%	55.9%	70.5%	-14.5%								
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Source: Tiger Asset Management GmbH / HSBC Trinkaus & Burkhardt SA; * NAV daily calc. by HSBC Trinkaus Investment Managers SA													

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Tiger Value Fund – December 2010

○ **Returns: Down 0.41% (class A)/0.36% (class B)**

In December the Tiger Value Fund had a negative net return of 0.41% for share class A and 0.36% for share class B, making a cumulative positive net return of +6.75%/ +7.57% for 2010 and an annualized rate of return of +15.07%/ +16.67% since inception (share class A/ B).

○ **Commentary: Suffering due to low exposure and special situations**

During December the fund suffered from the fairly low net exposure of < 40% and < 30% beta adjusted as equity markets rallied in the beginning of the month. Also the sell-off of some small cap positions affected the performance negatively. Until month end we increased our net exposure to 56% (46% beta adjusted) as we re-positioned the fund mainly by adding new positions and scaling back into former positions at lower levels.

With our Sharpe Ratio of 1.61 (class B) and 1.47 (class A) we are ranked no. 58 and 65 out of 1,575 long/short equity hedge funds worldwide at www.hedgefund.net.

In December our strongest contributors Freenet, Kontron and Volta Finance added +189bp, while our long positions Francotyp-Postalia, Arques Industries and Mistral Media cost us 256bp. At Francotyp-Postalia the private equity firm Quadriga sold its > 25% stake at a discount to institutional investors putting some pressure on the stock. Additionally, stock prices of Arques and Mistral tumbled as some larger investors desperately wanted to get out by year end. The MDAX Future hedge and single shorts cost us another -56bp.

○ **Discussion: Arques Industries AG = Gigaset AG – hidden value**

Arques Industries AG (AQU, €3.7), a former restructuring private equity company, is in the process of selling its remaining assets with exception of its telecommunications equipment company Gigaset which was bought from Siemens in 2008. Peter Löw the former CEO of AQU who stepped down and sold his stake in 2007 repurchased nearly 5% of AQU in 2010. As the head of supervisory board Löw replaced the management team of AQU by an interim manager and initiated the new business strategy and to rename the company Gigaset AG. We would expect the company to hire a new “strong” CEO with telecommunication background and to acquire at least one additional asset to further strengthen its competitive position in telecommunication equipment. With >50% of German households owning a Gigaset cordless phone the company is already the market leader in Germany and top 5 worldwide.

On our numbers the company trades at a fairly low EV/EBITDA < 2.5x and PER < 5x 2011e. The company’s valuation looks extremely undemanding given its leading market position and high FCF yield >15%. We expect the gap between our intrinsic value and market value to narrow once the positive catalysts kick in. A potential new high profile CEO, a successful sale of the remaining two portfolio holdings and inclusion of Gigaset AG in the SDAX index should result in additional investor interest.

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o **Outlook: High dividend and tech stocks preferred; New Sub-Advisor**

Although equity trading multiples are historically still attractive and corporate balance sheets are also in good shape allowing for re-leveraging to support growth, equity markets will continue to be affected by ongoing European sovereign default risks, further quantitative easing in Europe and the US and inflationary fears.

Following two strong years in bonds we may see a renaissance of equities particularly high dividend and technology stocks. After the strong performance of cyclical stocks in 2010 we would expect investors to re-allocate funds into stable cash flow generating businesses especially those companies who are paying high dividends. The second major theme should be technology stocks as corporates need to invest in technology to improve productivity and deliver growth. Tech stocks lagged in 2010 and we expect this trend to reverse in 2011 as sentiment and momentum continue to improve. At the same time we are intensifying our research on the short side and will probably reduce our net exposure already in Q1 2011.

Furthermore, we have the great pleasure to announce our new strategic partner: PHZ Privat- und Handelsbank Zürich AG has become the Sub-Advisor to the Tiger Value Fund strengthening our expertise in trading and research as well as our investor relations and risk management capabilities. The PHZ Privat- und Handelsbank Zürich AG is an independent Swiss bank offering Private Banking and Trading & Sales with focus on Switzerland and Western Europe. We already have a strong relationship to most of the team members for many years and look forward to intensify our relationship under the new set up.

We are very pleased with our new subscriptions which lifted the Tiger Value Fund assets to nearly €13m at the beginning of January. Our next subscription deadline for the Tiger Value Fund is 24 January 2011 at 5pm.

Should you have any questions regarding the fund, how to invest in the fund or anything else please feel free to contact us via phone at +49(0)402263235-12 or e-mail at matthias.rutsch@tiger-am.com.

Finally, we would like to thank you for your continuing support.

The Tiger Value Fund Desk, 18th January 2011.



Matthias Rutsch



Marc Schädler

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TIGER FUND - Tiger Value Fund (FCP-SIF)

Objectives

The objective is to identify undervalued companies with external catalysts and/or initiate pro-active measures to create shareholder value. The fund aims for a 5 year return of 10-15% p.a. with strong focus on capital preservation.

Investment Strategy

The Investment Advisor is a fundamental long-short equity stock-picker. The fund seeks undervalued small and midcap companies where a number of issues, which in our opinion can be improved, are sub-optimizing the company's public market value. For each position we perform a detailed research process including a 360 degree research approach and 10 point scoring system.

The managers foresee a direct dialog with the company as well as with other shareholders to support management to initiate value creating measures. Their partner network i.e. other shareholders, consultants, sector experts, media etc. will help to impact positive change.

The fund intends to engage in 15-30 long investments with a target net long exposure of around 50%. The geographic focus is likely to be Germany, Switzerland and Austria.

Fund Information		Fee Structure and Risk Management	
Currency	EUR	Admin/Custodian Fee	Up to 0.49%
Legal Entity	FCP-SIF	Advisory (Mgmt) Fee	
Fund Domicile	Luxembourg	Share Class A	2.0%
Fund Structure	Open-ended multi-class	Share Class B	1.5%
Style mandate	Long/Short and Value Activist	Performance Fee	
Investment Minimum		Share Class A	20%
Share Class A	€ 125,000	Share Class B	15%
Share Class B	€ 5,000,000	Hurdle Rate	None
Sub. Frequency	Monthly	Highwater Mark	Yes
Red. Frequency	Monthly	Eligible Investors	See Issue Document
Redemption Notice		Leverage	Maximum 200% of NAV
Share Class A	3 months	Fund Benchmark	DJ CS HF Index L/S Equity
Share Class B	6 months		

Fund Advisor Details and Service Providers

Investment Advisor	Tiger Asset Management GmbH; Neuer Wall 35; D-20354 Hamburg
Contact	Matthias Rutsch, +49 40 226 32 35 12, matthias.rutsch@tiger-am.com
Sub-Advisor	PHZ Privat- und Handelsbank Zürich AG
Management Company	Alceda Fund Management SA
Prime Broker	HSBC Trinkaus & Burkhardt AG
Administrator	HSBC Trinkaus Investment Managers SA
Custodian	HSBC Trinkaus & Burkhardt (Int) SA
Auditor	PriceWaterhouseCoopers

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Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. The price, value of and income from any of the securities or financial instruments held by the Fund can rise and fall as well. Investments held by the Fund may have a high level of volatility. High volatility investments may experience sudden and large falls in their value causing losses when that investment is realized. Income yields from investments may fluctuate and, in consequence, initial capital paid to make the investment may be used as part of that income yield. Some investments may not be readily realizable and it may be difficult to sell or realize those investments. Similarly it may prove difficult for you to obtain reliable information about the value, or risks, to which such an investment is exposed.

Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," "thinks," and similar expressions are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. These factors include, among other things, those matters discussed as "Risk Factors," in the Issue Document of the Fund, as well as (1) general economic and business conditions; (2) new governmental regulations and changes in, or the failure to comply with existing governmental regulation, (3) legislative proposals that impact our industry or the way we do business, (4) competition, and (5) our ability to attract and retain qualified personnel.

Although we believe that these statements are based upon reasonable assumptions, we can give no assurance that our goals will be achieved. Given these uncertainties, prospective investors are cautioned not to place undue reliance on these forward-looking statements. We assume no obligation to update or revise any forward-looking statements contained on this document or provide reasons why actual results may differ. The investment objectives and methods summarized herein represent the current intentions of the Investment Advisor. Depending on conditions and trends in the securities markets and the economy in general, we may pursue any objectives, employ any investment techniques or purchase any type of security that we consider appropriate and in the best interest of the funds, whether or not described herein. The discussion herein includes and is based upon numerous assumptions and opinions of the Investment Advisor concerning world financial markets and other matters, the accuracy of which cannot be assured. There can be no assurance that the investment strategy of the Fund will achieve profitable results for the Fund.

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07 February 2011