

Newsletter March 2020

AC TIGER FUND – TIGER VALUE FUND (FCP-SIF)

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Launch date	12 Dec 2008	Total Gross Exposure		64.0%	Total Long Exposure		46.6%	Long Equity Exposure		45.9%				
AuM	\$ 56m / € 51m	Total Net Exposure		29.1%	Total Short Exposure		17.4%	Net Equity Exposure		28.5%				
Share Class A	NAV* € 1,915.10	ISIN LU0400329677	Bloomberg TIGERAA LX EQUITY	Share Class U		NAV* \$ 900.68	ISIN LU1647855136	Bloomberg TIGERVU LX EQUITY						
Share Class B	€ 2,120.30	LU0400329750	TIGERAB LX EQUITY											
NET PERFORMANCE METRICS							FUND PERFORMANCE vs. CS HF INDEX L/S EQUITY **							
	Return (since inception)	Return (p.a.)	Sharpe Ratio***	Volatility (p.a.)										
Share Class A	91.5%	5.9%	0.85x	7.4%										
Share Class B	112.0%	6.9%	0.95x	7.6%										
POSITIONS														
Positions (excl. Options/FI)			Weightings (% of Gross)											
Longs	23	Long		Short										
Shorts	12	Top 5		Top 10										
Positions	35	60.9%		26.5%										
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	3.43%	-0.21%	1.47%	2.14%	0.25%	-0.81%	-1.32%	-3.41%	0.45%	-1.72%	-2.24%	0.86%	-1.31%	
2012	4.48%	1.51%	1.35%	-1.68%	-1.05%	-0.37%	-0.59%	0.69%	1.85%	0.57%	-0.53%	1.44%	7.79%	
2013	3.57%	1.49%	-0.66%	0.24%	2.70%	-0.67%	0.95%	0.07%	3.00%	2.66%	1.14%	-0.54%	14.73%	
2014	1.88%	2.56%	0.63%	2.61%	0.63%	-0.34%	-2.19%	-0.42%	-1.20%	-1.32%	1.83%	1.14%	5.82%	
2015	2.07%	3.13%	4.23%	0.99%	1.54%	-1.60%	1.41%	-1.20%	-2.10%	3.89%	1.45%	1.60%	16.29%	
2016	-3.91%	0.21%	4.43%	1.40%	-0.99%	-1.85%	0.91%	1.05%	0.41%	0.22%	0.15%	2.70%	4.58%	
2017	1.96%	1.31%	3.33%	0.22%	2.12%	0.97%	-1.07%	-1.23%	-0.77%	0.45%	0.39%	0.41%	8.30%	
2018	0.02%	-0.11%	-2.45%	0.09%	-0.17%	-3.99%	2.20%	-2.14%	-1.58%	-3.14%	-2.73%	-7.43%	-19.73%	
2019	4.37%	0.23%	-0.91%	1.44%	-4.53%	1.09%	2.81%	1.72%	0.49%	1.98%	3.69%	2.92%	16.05%	
2020	2.02%	-4.01%	-6.80%										-8.73%	
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	3.62%	-0.18%	1.56%	2.27%	0.21%	-0.71%	-1.28%	-3.37%	0.49%	-1.68%	-2.20%	0.90%	-0.59%	
2012	4.52%	1.55%	1.39%	-1.64%	-1.01%	-0.33%	-0.54%	0.73%	1.89%	0.61%	-0.49%	1.40%	8.23%	
2013	3.78%	1.62%	-0.67%	0.30%	2.91%	-0.69%	1.05%	0.11%	3.23%	2.87%	1.24%	-0.53%	16.15%	
2014	2.04%	2.75%	0.71%	2.81%	0.70%	-0.32%	-2.15%	-0.37%	-1.16%	-1.28%	1.87%	1.19%	6.84%	
2015	2.09%	3.33%	4.55%	1.09%	1.69%	-1.68%	1.53%	-1.24%	-2.06%	4.03%	1.58%	1.74%	17.69%	
2016	-3.87%	0.26%	4.49%	1.52%	-1.01%	-1.84%	0.95%	1.10%	0.46%	0.27%	0.20%	2.91%	5.30%	
2017	2.13%	1.43%	3.58%	0.27%	2.30%	1.07%	-1.03%	-1.19%	-0.73%	0.50%	0.43%	0.45%	9.47%	
2018	0.07%	-0.07%	-2.41%	0.13%	-0.13%	-3.95%	2.25%	-2.10%	-1.54%	-3.09%	-2.69%	-7.40%	-19.33%	
2019	4.41%	0.26%	-0.87%	1.48%	-4.49%	1.13%	2.86%	1.76%	0.53%	2.03%	3.73%	2.96%	16.64%	
2020	2.06%	-3.97%	-6.76%										-8.62%	
Share Class U	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	
2017	-	-	-	-	-	-	-	-0.99%	-0.91%	0.62%	0.67%	0.60%	-0.02%	
2018	0.24%	-0.04%	-2.21%	0.24%	0.20%	-3.78%	2.41%	-1.91%	-1.23%	-2.86%	-2.44%	-7.22%	-17.39%	
2019	4.34%	0.43%	-0.65%	1.69%	-4.27%	1.31%	3.06%	2.07%	0.73%	2.27%	3.38%	3.18%	18.68%	
2020	2.19%	-3.87%	-6.46%										-8.11%	
MARKET CAP EXPOSURE							ASSET ALLOCATION							
SECTOR EXPOSURE														
DACH Region > 80% (country of origin); DACH-linked Region > 90% (country listing)														
Source: TAM EFA; * NAV daily calc. by EFA; **www.hedgeindex.com, Broad Indexes - CS Hedge Fund Index Long/Short Equity; *** TAM inhouse calculation														

Tiger Value Fund – March 2020

o **Returns: -6.80% (class A)/-6.76% (class B)/-6.46% (class U)**

In March, the Tiger Value Fund (“TVF”) had a net return of -6.80% for share class A and -6.76% for share class B, making a cumulative net return of -8.73%/-8.62% for share class A and B for the year-to-date and +91.5%/+112.0% since inception (share class A/B). Our FX hedged USD share class U had a net return of -6.46% in March.

o **Commentary: Challenging markets – Drägerwerk outperformed**

While equity markets sold-off by -16.4% and -14.5% for the DAX and Stoxx Europe 600 the Tiger Value Fund declined -6.80%, -6.76% and -6.46% (share class A, B and U) in March. Although the Tiger Value Fund significantly outperformed markets in March and in the year-to-date with DAX and Stoxx Europe 600 being down by -25.0%, -22.6% vs -8.73%, 8.62% and 8.11% (share class A, B and U) for the Tiger Value Fund we are not satisfied. We had a good short book positioning but unfortunately, when the perfect storm hit the markets with a collapsing oil price and worsening Corona news we didn't have enough hedges to buffer the losses of our long positions. At the market rebound we did a better job by re-shortening some of our favorite Corona losers and reduced the net equity exposure to 28.5% at month end. Despite the severe sell-off we had some long picks that did quite well as these companies actually profit from Corona.

Our top Corona winners and attributors were Zeal Network (+19bp) and Drägerwerk (+216bp). Drägerwerk currently profits from the Corona virus as the company produces the urgently needed air filtration masks and medical ventilation systems for hospitals. We booked our profits in Drägerwerk after the company received a 100k unit order for ventilation systems from the German government and the stock nearly doubled from our first entry point. The next Corona winner is Zeal Network (Eur 0.5bn MCAP) the largest German online lottery broker with nearly 50% online market share. Having studied the lotto statistics, we estimate that Germany's low online penetration of 14% could surge to above 20% this year which would result into significant growth for Zeal. We wouldn't be surprised if the company increases its guidance after strong Q1 numbers and if Zeal nearly triples its new registered customers in 2020. With its double-digit growth, significant operating leverage (above 80% EBIT drop through rate) Zeal should reach Eur 100m in EBIT much sooner than we originally had anticipated. On our 2022 numbers Zeal trades on a single digit EBIT multiple which is a bargain for a technology growth company with high economies of scale.

On the negative side our performance was burdened by various long positions. Among our worst detractors we had Bayer (-176bp), Tele Columbus (-190bp), EnergieKontor (-50bp), AMS (-129bp), Agfa-Gevaert (-69bp), Ferratum (-163bp), Holidaycheck (-39bp), Drillisch (-29bp), VA-Q-TEC (-34bp), ProSieben (-41bp), Sixt Pfd (-43bp) and United Internet (-21bp). We have reduced and sold several long positions in March and currently only selectively invest in companies which profit from Corona and/or from positive catalysts such as Bayer (Glyphosate settlement), Tele Columbus (sale of NetCo), Agfa-Geveart (break-up with first deal closing event and cash-inflow of Eur 975m in Q2), Zeal Network (strong Corona tailwind and Q1), ProSieben (break-up / takeover).

The short book profited from the market sell-off and added +353bp in March. The single short book attributed +227bp and our DAX index hedges added another +126bp.

o **Outlook: That escalated quickly**

From a slow spread of the COVID-19 virus in January and February (outside of China), the situation escalated quickly in March and it became a full-fledged global pandemic by the end of the month. Today there are officially more than 1m people infected worldwide and 50,000 dead. Most of the western world is now locked down with collapsing economies as a result. This is no longer a “potential” global recession but a very real global depression. The economic damage this shut down will cause is completely unprecedented. There is no doubt that economic growth will be down significantly in Q2 (most economists assume 30-50% depending on region). The question is now, how long will this last and how quickly the economies can recover.

Since we really don't know the answer to that question, our task is to make sure the Tiger Value Fund is positioned in stocks and sectors that will be resilient to this crisis and potentially even benefit from it. Investing in companies with good visibility, stability in revenues and cashflow and limited/no leverage will be critical in this environment. This is nothing new to us. As we have mentioned frequently in recent months, we had already positioned the fund in companies largely uncorrelated to the economic environment, with idiosyncratic revenue and profit drivers and with identifiable catalysts. Positions such as Drillisch/United Internet, Tele Columbus and EnergieKontor, which will be largely unaffected by the COVID-19 crisis. In addition, positions like Zeal Network and Drägerwerk which are even profiting from the crisis.

There are also industries that will recover more quickly and emerge stronger than they were going into the crisis. It is very likely that this crisis will have a longer lasting impact and change the way we live and work. The offline to online trend will likely accelerate for many industries, as will working from home fuelling demand for cloud software solutions and upgrades of laptops. Healthcare and Medtech is another obvious winner as there will be pressure on Governments to get ahead of the next pandemic. But also demand for technologies to track movement of people and monitoring of health, will fuel even more investment in algorithmic software, AI, high performance computing, sensors and IoT. Technology will be the winner in this new world, personal privacy will be the loser. Our focus area for new investment will be in companies that can thrive in this environment.

We ended March with a relatively low net equity exposure of 28.5% and an even lower than usual gross exposure of 64% as we have reduced long positions and closed many of our shorts. As the equity markets have recovered 15-20% from the recent lows but are still down -30% from the highs of the year, the risk/reward of initiating new shorts are overall balanced or unfavorable. With ample financial flexibility we will await and scale into long positions ahead of positive catalysts and short more aggressively in market rebounds. We are likely to remain in a 20-50% net exposure range for the foreseeable future (increasing to 50% in another sell off, reducing to 20% if we rally further). We are not in a rush. Patience will be rewarded in this market.

The Tiger Value Fund Desk, 3rd April 2020

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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 7-10% p.a. with strong focus on capital preservation.

Investment Strategy

The Investment Advisor is specialized on a fundamental European long/short equity strategy. The investment philosophy is based on seeking out undervalued value creating companies where we see upcoming catalysts and/or value creation measures that could improve the intrinsic value of the company and drive shareholder returns. At the same time, we seek to profit from identifying overvalued value destroying companies where the intrinsic value is continuously being eroded. For each position we perform a detailed analysis including a 360-degree research process and 10-point scoring system (further details are available in our DDQ of investor presentation). 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 20-30 long investments (excl. residual positions, options and fixed income linked positions) with a target net long exposure of around 20-60%. 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/U	2.00%
Fund Structure	Open-ended multi-class	Share Class B	1.50%
Style mandate	Long/Short and Active Value	Performance Fee	
Investment Minimum		Share Class A/U	20%
Share Class A/U	€ 125,000 /US-\$ 125,000	Share Class B	15%
Share Class B	€ 5,000,000	Hurdle Rate	None
Sub. Frequency	Monthly	High Water Mark	Yes
Red. Frequency	Monthly	Eligible Investors	See Issue Document
Redemption Notice		Leverage	Maximum 200% of NAV
Share Class A/U	5 business days*	Fund Benchmark	CS HF Index L/S Equity
Share Class B	6 months		

*) The redemption notice has to be faxed to the Administrator five business days prior to month end (cut-off 5pm). Therefore, the redemption term is monthly with a notice period of 5 days. Please see the offering document for further information.

Investors: Sales documents may not be forwarded to investors other than those who meet the 'experienced investor' requirements under the Law of 2007.

Fund Advisor Details and Service Providers

Management Company	Alceda Fund Management SA
Investment Advisor	Tiger Asset Management AG
Swiss Representative	ACOLIN Fund Services AG
Prime Broker/Custodian	SEB AB / SEB SA
Administrator	European Fund Administration SA
Auditor	Price Waterhouse Coopers

Sales documents may not be forwarded to investors other than those who meet the 'experienced investor' requirements under the Law of 2007 as amended from time to time.

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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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The Tiger Fund has been passported for marketing in Austria and Germany in accordance with the terms of the AIFMD, the 2013 Law and the AIFMG (Austrian Alternative Investment Funds Manager Act (Alternative Investmentfonds Manager-Gesetz)) respectively the KAGB (Investment Code (Kapitalanlagegesetzbuch)). The Units passported may be marketed in Austria and/or in Germany in line with the terms and exclusively to professional investors within the meaning of the AIFMG and/or KAGB. Any marketing activities to other categories of investors are prohibited.

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