

# Newsletter July 2020

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

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Launch date	12 Dec 2008	Total Gross Exposure	91.1%	Total Long Exposure	62.7%	Long Equity Exposure	61.6%	AuM	\$ 68m / € 57m	Total Net Exposure	34.3%	Total Short Exposure	28.4%	Net Equity Exposure	33.3%
Share Class A	NAV* € 2,317.93	ISIN LU0400329677	Bloomberg TIGERAA LX EQUITY	Share Class U	NAV* \$ 1,077.85	ISIN LU1647855136	Bloomberg TIGERVU LX EQUITY								
Share Class B	€ 2,566.27	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	131.8%	7.5%	1.00x	8.0%											
Share Class B	156.6%	8.5%	1.11x	8.1%											
POSITIONS															
Positions (excl. Options/FI)			Weightings (% of Gross)												
Longs	26	Long		Short											
Shorts	18	Top 5	40.0%	14.7%											
Positions	44	Top 10	51.9%	22.1%											
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	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%	7.77%	2.84%	7.79%	1.31%						10.47%		
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%	7.81%	2.89%	7.64%	1.36%						10.60%		
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%	7.87%	2.95%	6.27%	1.41%						9.96%		
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 – July 2020

#### ○ **Returns: +1.31% (class A)/+1.36% (class B)/+1.41% (class U)**

In July, the Tiger Value Fund (“TVF”) had a positive net return of +1.31% for share class A and +1.36% for share class B, making a cumulative net return of +10.47%/+10.60% for share class A and B for the year-to-date and +131.8%/+156.6% since inception (share class A/B). Our FX hedged USD share class U had a net return of +1.41% in July, making a cumulative net return of 9.96% for the year-to-date.

#### ○ **Commentary: Catalyst laden portfolio – solid attributions from shorts**

While most hedge fund peers and European equity indices are down in the year-to-date (DAX -7.06%; Stoxx Europe 600 -14.31%) we are satisfied that the Tiger Value Fund is up with +10.47%, +10.60%, +9.96% (class A, B, U) in the year-to-date. At the most recent June updates, the Eurekahedge UCITS Europe Long/Short Equities Hedge Fund Index<sup>1</sup> and the CS Hedge Fund Long/Short Equity Index<sup>2</sup> were down year-to-date with -2.40% and -3.46% respectively.

The TVF profited once again from its single shorts which added +85bp mainly attributed to its most favorite technology, transportation and hospitality shorts. We kept our net equity exposure stable at 25-35% (average 28.6%) ending the month at 33.3%.

Our top attributors were EnergieKontor (+40bp), Tele Columbus (+85bp) and Zeal Network (+95bp). On the negative side we had many smaller detractors as well as some larger detractors such as Bayer (-63bp) and Schöller Bleckmann (-25bp) which burdened our performance in July. As mentioned previously we were fairly disappointed about Bayer’s glyphosate settlement and booked most of our profits but maintained a position in Bayer as we believe that the company is a bargain trading at 7x PER 2021. Bayer has market leading positions in its agrochemical and pharmaceutical businesses which are largely not impacted by overall economic cycles. The next catalyst for the stock would be the replacement of the current CEO Baumann by Zachert (CEO of Lanxess) who had a key role in restructuring the Lanxess portfolio after it was spun-off from Bayer. Zachert has a high standing in the investment community and would be the perfect match to restructure Bayer, i.e. break-up the company into an agrochemical and pharmaceutical arm which should result in an immediate valuation uplift. At Tele Columbus we are also excited about the break-up opportunity which should drive the share price further once the company finally initiates the sale of its network operations.

Despite overall slightly positive equity markets in July we managed to profit from single shorts which added +97bp to our monthly performance. While our DAX index hedges added +12bp our single short book added +85bp. We had significant positive attributions from our most favorite technology short which added another +68bp as well as positive attributions from our transportation (+17bp) and hospitality shorts (+23bp).

#### ○ **Outlook: The eye of the storm**

For the month as a whole, European equity markets were broadly unchanged with DAX flat and Stoxx Europe 600 declining -1%. After initially rising to new post-COVID-19 highs, the DAX and European markets sold off into month end as the Euro strengthened, and more evidence emerged that the 2<sup>nd</sup> wave of COVID-19 has already started. In the US however, tech giants such as Apple, Amazon and

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<sup>1</sup> Source: [http://www.eurekahedge.com/Indices/IndexView/Special/590/Eurekahedge\\_UCITS\\_Europe\\_Long\\_Short\\_Equities\\_Hedge\\_Fund\\_Index](http://www.eurekahedge.com/Indices/IndexView/Special/590/Eurekahedge_UCITS_Europe_Long_Short_Equities_Hedge_Fund_Index)

<sup>2</sup> Source: EUR class Broad Index on <https://lab.credit-suisse.com/#/en/index/HEDG/HEDG/performance>

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Microsoft drove NASDAQ to new ATH records after extremely strong Q2 results boosted by the work-from-home and online shopping trend.

The European Q2 reporting season has so far been slightly better than feared with 66% of Stoxx Europe 600 stocks beating estimates. The better than expected Q2 results have mainly been driven by the Industrial, Healthcare and Technology sectors, while Financials, Energy, Utilities and Telecoms have disappointed. Q2 results are on track to drop -58% y/y and for 2020 earnings are expected to decline -33% (vs. -31% expected a month ago).

European PMIs continued to improve in July with Markit/BME Germany Manufacturing PMI climbing to 51 (45.2 June), indicating expansion for the first time since December 2018. Eurozone Manufacturing PMI also re-entered expansion increasing to 51.8 in July (47.4 June). Nevertheless, we suspect that any further progress will be limited given the continued economic uncertainty and rise in COVID-19 infection count in Europe in the last few weeks.

It feels as if the equity markets are currently in the eye of the storm, a surreal calm before another bout of turbulence. We have quite often seen spike in volatility in August in recent years and given that the post shut down bounce in economic activity has started to fade and that some of the massive stimulus (especially in the US) is set to expire in August, it's prudent to be cautious after the last few months' strong equity rally.

Our net equity exposure is broadly unchanged since last month at 33%, even though we added a few new long positions and took profits on a few single shorts. We continued to have a very good stock selection on shorts again in July with +85bp attribution despite flat markets. Moreover, our biggest long positions continue to be largely uncorrelated to the overall equity markets. We expect to be at the lower end of our typical 20-50% net exposure range for the next month's allowing us to capitalize from any summer swoon driven by the recent COVID-19 resurgence and fading economic bounce.

***The Tiger Value Fund Desk, 3<sup>rd</sup> August 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

<b>Management Company</b>	Lemanik Asset Management SA
<b>Investment Advisor</b>	Tiger Asset Management AG
<b>Prime Broker/Custodian</b>	SEB AB / SEB SA
<b>Administrator</b>	European Fund Administration SA
<b>Auditor</b>	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.

The state of the origin of the Fund is Luxemburg. This document may only be distributed in or from Switzerland to qualified investors within the meaning of Art. 10 Para. 3, 3bis and 3ter CISA. The Representative in Switzerland is ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich, whilst the Paying Agent is NPB Neue Privat Bank AG, Limmatquai 1 am Bellevue, CH-8024 Zurich. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss representative. The basic documents of the Fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge at the registered office of the Swiss Representative. The current document is intended for information purposes only and shall not to be used as an offer to buy and/or sell shares. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming shares. Past performance may not be reliable guide to future performance.

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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