

Newsletter January 2019

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

AC TIGER FUND - TIGER VALUE FUND (FCP-SIF)														
Launch date	12 Dec 2008	Total Gross Exposure			91.6%	Total Long Exposure			61.6%	Long Equity Exposure			58.2%	
AuM	\$ 117m / € 102m	Total Net Exposure			31.5%	Total Short Exposure			30.1%	Net Equity Exposure			28.1%	
	NAV*	ISIN	Bloomberg			NAV*	ISIN	Bloomberg			NAV*	ISIN	Bloomberg	
Share Class A	€ 1,887.02	LU0400329677	TIGERAA LX EQUITY			Share Class U	\$ 861.70	LU1647855136		Share Class B		€ 2,077.00	LU0400329750	
Share Class B	€ 2,077.00	LU0400329750	TIGERAB LX EQUITY			Share Class C	€ 830.63	LU1744650885		Share Class C		€ 830.63	LU1744650885	
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	88.7%	6.5%	1.09x	6.2%										
Share Class B	107.7%	7.5%	1.21x	6.5%										
POSITIONS														
Positions (excl. Options/FI)			Weightings (% of Gross)											
Longs	33	Long		Short										
Shorts	25	Top 5		Top 10										
Positions	58	27.6%		11.7%										
		40.2%		18.7%										
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%												4.37%	
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%												4.41%	
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%												4.34%	
Share Class C	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	
2018	-1.07%	-0.09%	-2.43%	0.11%	-0.15%	-3.97%	2.22%	-2.12%	-1.56%	-3.12%	-2.71%	-7.42%	-20.43%	
2019	4.39%												4.39%	
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 – January 2019

○ **Returns: +4.37% (class A)/+4.41% (class B)/+4.34% (class U)**

In January, the Tiger Value Fund (“TVF”) had a net return of +4.37% for share class A and +4.41% for share class B, making a cumulative net return of +88.7%/+107.7% since inception (share class A/B). Our FX hedged USD share class U had a net return of +4.34% in January.

○ **Commentary: Performance attributions broad based**

We had a good start in January with a monthly net return of 4.37%/4.41% (share class A/B) which we achieved with a fairly low average net equity exposure of 36.2% as we gradually reduced our net equity exposure from 48.8% to 28.1% as of month end. While we are prepared to increase the net exposure again we wouldn't rule out even lower exposures if we find additional catalyst shorts.

Our top long performers were Dialog Semiconductor (+130bp), Strabag (+88bp), Freenet (+63bp), AMS (+83bp), Bayer (+60bp), Palfinger (+48bp), Sixt (+43bp), Ferratum (+42bp), Bauer (+25bp), König & Bauer (+25bp), EnergieKontor (+25bp), Manz (+24bp) and Andritz (+20bp). At many of these positions we selectively booked profits but may buy back at lower levels. In January, telecoms underperformed and small caps. Many of our small cap positions (15.5% of the assets invested below Eur 200m MCap and 13.3% between Eur 200-500m MCap) haven't performed yet but should perform once positive catalysts materialize. Currently, we are focusing our research efforts on large and mid cap stocks but will keep an eye on underperforming small caps as these stocks have significant upside.

Our single short book cost 311bp (average single short exposure was 27.5%) and our DAX Future and Put Option hedges cost 14bp. Although our single shorts burdened our performance due to the overall good market performance we would expect positive attributions from single shorts in the coming months.

○ **Outlook: Central bank capitulation**

After a horrendous end to last year, 2019 has started with a bang and most developed equity markets have gained between 5% and 10%. The chief catalyst for this turnaround were signals of a reversal in central bank policy from normalization (tightening) to yet again neutral or even easing bias. The most spectacular capitulation was from the Federal Reserve which as recently as October was planning 3 rate hikes in 2019 and its \$50bn monthly balance sheet reduction was said to be on autopilot. Despite any substantial negative changes to US economic data (exemplified by the very strong January US employment report and ISM index), at its January FOMC meeting the FED stated that it now expects to be “patient” with rate hikes and is “prepared to adjust” its balance sheet normalization. Investors took this as a sign that central bankers will resume to manipulate interest rates and asset prices if asset price volatility increases too much and dutifully pushed stock prices higher.

In addition, in the face of a weakening economy, the PBOC (Chinese central bank) introduced a bill swap mechanism in January to, “increase the financing support for the real economy”, that has been interpreted as a first step towards China's own version of QE.

As we had mentioned several times in our newsletter in 2018, we expected central bank normalization to be a major drag on equity prices and the economy in 2018 and 2019. Furthermore, we saw the global economy as too weak to handle this monetary tightening and that the normalization process would quickly be halted once global growth would falter too much. It seems all it took was a 20% equity market decline for the central bankers to capitulate which was even faster than we could have anticipated.

Newsletter January 2019

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

Nonetheless, in Europe, economic data and corporate earnings have continued to disappoint. Italy just reported two consecutive quarters of negative GDP growth effectively entering a recession. In Germany, retail sales collapsed -4.1% m/m in December and the Markit/BME Germany Manufacturing PMI fell below 50 to 49.7 in January indicating contraction. On the corporate side, preliminary Q4 earnings in Germany has been mostly disappointing with weakness especially in the automotive sector. More broadly, Stoxx Europe 600 Q4 earnings growth expectations have fallen from +13% y/y in early November to currently +3.6%. This is markedly down from the reported growth of +14.4% in Q318.

Thus, the current equity market strength, at least in Europe, is not supported by improving or even stabilizing earnings which makes it a fragile stock market recovery in our opinion. Consequently we have further reduced our net equity exposure in January ending the month at 28.1%. We continue to expect another volatile year for European equities and anticipate better entry points for many of our favorite longs in coming months. Encouragingly we have noticed that fundamental catalysts have started working again after the indiscriminate selling in December giving us confidence that our investment strategy will perform better in coming months.

The Tiger Value Fund Desk, 5th February 2019



Matthias Rutsch



Marc Schädler



Peter Irbld

Newsletter January 2019

AC 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 specialized fundamental European long/short equity investment manager. 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 20-40 long investments (excl. residual positions, options and fixed income) with a target net long exposure of around 20-50%. 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/U	2.00%
Fund Structure	Open-ended multi-class	Share Class B	1.50%
		Share Class C**	1.75%
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/C	15%
Share Class B/C	€ 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		
Share Class C	1 month		

*) The redemption notice has to be send 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.

**) max. 1.75%

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 GmbH
Swiss Representative	ACOLIN Fund Services AG
Prime Broker/Custodian	SEB AB / SEB SA
Administrator	European Fund Administration SA
Auditor	PriceWaterhouseCoopers

Newsletter January 2019

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

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.

Disclaimer: This report is provided to you for information purposes only and is not to be used or construed as an offer to buy or sell shares of the Fund, which may only be sold pursuant to the Issue Document of the Fund, a copy of which may be obtained from Tiger Asset Management GmbH ("Investment Advisor") or Alceda ("Management Company"). The Management Company will not treat recipients of this report as its customers by virtue of their receiving this report. Due to individual client objectives, this report should not be construed as advice designed to meet the particular investment needs of any investor and this report is not to be relied upon in substitution for the exercise of independent judgment. Information and opinions presented in this report have been obtained or derived from sources believed by the Investment Advisor to be reliable, but the Investment Advisor makes no representation as to their accuracy or completeness. Information, opinions, and estimates contained in this report reflect a judgment at its original date of publication by the Investment Advisor and are subject to change without notice. The Investment Advisor accepts no liability for loss arising from the use of the material presented in this report.

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.

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 M.M. Warburg Bank (Switzerland) Ltd., Parkring 12, 8027 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.

The information in this report is confidential and the copyright in this presentation belongs to Tiger Asset Management GmbH and must not be copied, reproduced or distributed to others at any time except where analysis of the information by certain employees and advisers of the recipient is necessary to evaluate the investment opportunity offered to the recipient in the report in which case the information may be disclosed to those employees and advisers, but only on the condition that the recipient has first procured that they have agreed to treat such information as confidential and not to disclose it to third parties.