

# Tiger Asset Management GmbH

## Tiger Value Fund - Newsletter November 2010

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

#### RISK REPORT

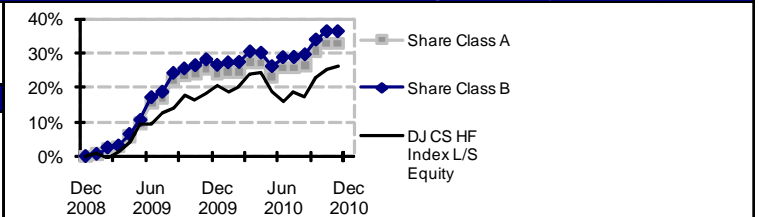
##### Fund Information

Launch date	12-Dec-08	Total Gross Exposure	63.6%	Total Long Exposure	51.6%
AuM	€ 10,759,747	Total Net Exposure	39.6%	Total Short Exposure	12.0%
	<b>NAV*</b>	<b>Sharpe Ratio</b>	<b>WKN</b>	<b>ISIN</b>	<b>Bloomberg</b>
Share Class A	€ 1,329.57	1.59x	A0Q5LH	LU0400329677	TIGERAA LX EQUITY
Share Class B	€ 1,366.11	1.73x	A0RDZZ	LU0400329750	TIGERAB LX EQUITY
					<b>Reuters</b>
					LP68023199
					LP68023200

##### Net Performance

	Since inception	YTD
Share Class A	32.96%	7.18%
Share Class B	36.61%	7.96%

##### Fund Performance vs. DJ CS HF Index Long/Short Equity since inception



##### Positions

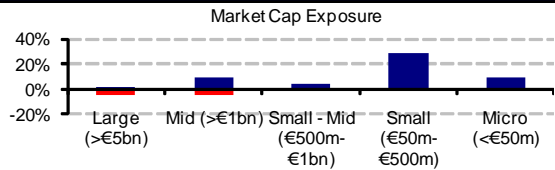
Number of Positions		Weightings (% of Gross)	
		Long	Short
Long Positions	18		
Short Positions	10		
Total No. Positions	28		
		<b>Top 5</b>	<b>Top 10</b>
		45.5%	12.8%
		67.4%	18.9%

##### Monthly Net Return

Share Class	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>Share Class A</b>													
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%	-	7.18%
<b>Share Class B</b>													
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%	-	7.96%

##### Market Capitalisation

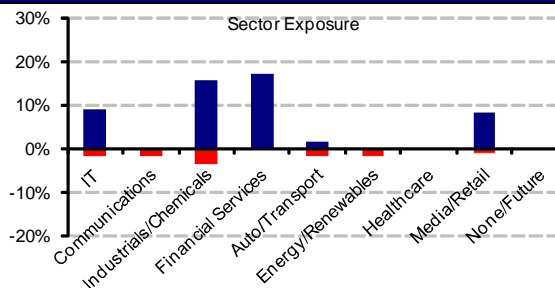
	Pos. No	%Gross	Net Exp	Long	Short
Large (>€5bn)	4	10.0%	-3.1%	1.7%	-4.7%
Mid (>€1bn)	7	22.5%	3.5%	8.9%	-5.4%
Small - Mid (€500m-€1bn)	3	7.5%	3.3%	4.0%	-0.8%
Small (€50m-€500m)	9	45.8%	26.8%	28.0%	-1.2%
Micro (<€50m)	5	14.1%	9.0%	9.0%	0.0%
<b>Total</b>	<b>28</b>	<b>100.0%</b>	<b>39.6%</b>	<b>51.6%</b>	<b>-12.0%</b>



Geographic focus: DACH region

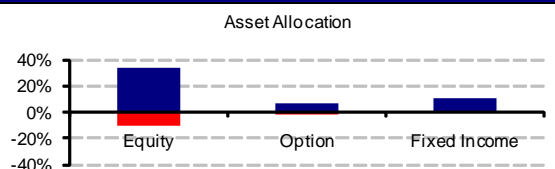
##### Sector Exposure

	Pos. No	%Gross	Net Exp	Long	Short
IT	4	16.6%	7.1%	8.8%	-1.7%
Communications	1	2.6%	-1.6%	0.0%	-1.6%
Industrials/Chemicals	9	30.6%	11.9%	15.7%	-3.8%
Financial Services	5	27.0%	17.2%	17.2%	0.0%
Auto/Transport	2	5.3%	0.0%	1.7%	-1.7%
Energy/Renewables	2	3.1%	-2.0%	0.0%	-2.0%
Healthcare					
Media/Retail	5	14.9%	7.0%	8.3%	-1.2%
None/Future					
<b>Total</b>	<b>28</b>	<b>100.0%</b>	<b>39.6%</b>	<b>51.6%</b>	<b>-12.0%</b>



##### Asset Allocation

	Pos. No	%Gross	Net Exp	Long	Short
Equity	22	71.5%	23.3%	34.4%	-11.1%
Option	3	11.3%	5.3%	6.2%	-0.9%
Fixed Income	3	17.2%	10.9%	10.9%	0.0%
<b>Total</b>	<b>28</b>	<b>100.0%</b>	<b>39.6%</b>	<b>51.6%</b>	<b>-12.0%</b>



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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 – November 2010

#### ○ **Returns: Up 0.18% (class A)/0.19% (class B)**

In November the Tiger Value Fund had a positive net return of 0.18% for share class A and 0.19% for share class B, making a cumulative positive net return of +7.18%/ +7.96% YTD and +32.96%/ +36.61% since inception (share class A/B).

#### ○ **Commentary: Previous contributors dragged performance**

With a net performance of 32.96% (class A)/ 36.61% (class B) since inception in mid December 2008 and our Sharpe Ratio of 1.59 (class A) and 1.73 (class B) we are ranked under the top 50 hedge funds out of 1,610 long/short equity hedge funds worldwide at [www.hedgefund.net](http://www.hedgefund.net).

In November Porsche, Volta Finance, Mistral Media and Francotyp-Postalia have been among our strongest contributors adding +277bp to the Fund performance. On the negative side our long positions Tipp24, Freenet, Nabaltec, Eurohypo and Postbank (incl. bonds and derivatives) which have been the main positive contributors over the last two months cost us -235bp. The MDAX Future hedge cost another -17bp while we were break-even with our single short positions.

#### ○ **Discussion: Porsche - call option on VW**

In October we started to scale into Porsche SE (PSH, €65) via the sale of put options when the stock traded below €40 building an exposure of 7%. We expected to get executed on our in-the-money put options but unfortunately we had to book our profits as the stock nearly doubled until the end of November.

Porsche SE is mainly driven by the VW share price and not the Porsche AG fundamentals as Porsche SE holds a 50.7% stake in VW ord. accounting for approximately 80% of the Porsche SE assets. As a result a VW ord. share price move from €120 to €150 would add €26 or 40% to PSH NAV i.e. a leverage of 1.6x currently. When we started to scale into PSH we calculated a 50% discount or 100% upside to PSHs NAV assuming net adjustments of Eur 8.1bn for net debt, tax and legal issues.

We expect the discount to fade as the merger of VW and PSH becoming more likely to take place. Any uncertainty about legal issues and a potential postponement of the merger will result in an expansion of the PSH-VW spread, i.e. a larger discount.

We would feel comfortable to scale into PSH again once we have a discount > 40% to it's NAV with a clearer view on legal claims of US investors. The next important event will be the statement by a U.S. court which will decide whether legal proceedings regarding the claims brought forward by U.S. investors will start in the U.S. The decision is expected for January 17, 2011.

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### o **Outlook: Slower growth in 2011; stock picking will be key**

Many investors expect 2011 to be characterized by ongoing macro improvement and increased confidence in the sustainability of the global economic recovery. Also fading sovereign debt and bank capitalization concerns should help to drive company valuations higher. In addition stocks should profit from inflationary fears as nations may continue to increase their debt at a very rapid pace.

Although this may be the most likely scenario we have to note that we have passed the peak in corporate earnings growth and, as the benefits of base effects and operational leverage fade, earnings expectations are likely to fall. This implies that market returns will need to increasingly be driven by valuations. This may be feasible as trading multiples historically still are attractive and corporate balance sheets are also in good shape allowing for re-leveraging to support growth.

Over the last four weeks we had around 40 one-to-one meetings where several management teams indicated that they feel increasingly uncomfortable with analyst expectations; some even stated that consensus figures 2011 are too bullish. For sure uncertainty with regard to growth, politics, and policy will result in volatile equity markets.

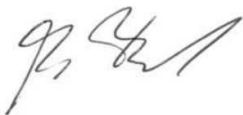
But, stock picking should produce significant alpha in 2011. We are quite optimistic on some smaller companies with stable growth and high cash flows which appear to be incorrectly valued and believe that these investments offer the most attractive risk-reward profile. At the same time we found compelling short ideas with negative catalysts where we will start to build our positions in the beginning of 2011 in a less bullish environment.

We are very pleased with our new subscriptions bringing the assets to above €12m by the beginning of January 2011 and would like to thank you for your continuing support.

Our next subscription deadline for the Tiger Value Fund is 23<sup>rd</sup> December 2010 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](mailto:matthias.rutsch@tiger-am.com).

We wish you all a Merry Christmas and a Happy New Year!

**The Tiger Value Fund Desk, 16<sup>th</sup> December 2010.**



**Matthias Rutsch**



**Marc Schädler**

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16 December 2010