

Newsletter February 2015

TIGER FUND – TIGER VALUE FUND (FCP-SIF)

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FUND INFORMATION														
Launch date	12. Dez 08			Total Gross Exposure	107.5%			Total Long Exposure	77.1%					
AuM	€ 35.2 m			Total Net Exposure	46.6%			Total Short Exposure	30.5%					
	NAV*			WKN	ISIN			Bloomberg		Reuters				
Share Class A	€ 1'800.28			A0Q5LH	LU0400329677			TIGERAA LX EQUITY		LP68023199				
Share Class B	€ 1'917.49			A0RDZZ	LU0400329750			TIGERAB LX EQUITY		LP68023200				
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	80.0%	10.0%	1.64x	6.1%										
Share Class B	91.7%	11.1%	1.76x	6.3%										
POSITIONS														
Number of Positions		Weightings (% of Gross)												
Long Positions	40	Long		Short										
Short Positions	18	Top 5	29.6%	18.4%										
Total No. Positions	58	Top 10	45.1%	23.3%										
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%											5.27%	
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%											5.49%	
MARKET CAPITALISATION														
	Pos. No	%Gross	Net Exp	Long	Short									
Large (>€5bn)	9	28.9%	-4.0%	13.5%	-17.6%									
Mid (>€1bn)	12	17.8%	-2.3%	8.4%	-10.7%									
Small - Mid (€0.5-€1bn)	9	12.0%	8.9%	10.9%	-2.0%									
Small (€50m-€500m)	20	37.1%	39.5%	39.7%	-0.2%									
Micro (<€50m)	8	4.2%	4.5%	4.5%	0.0%									
Total	58	100.0%	46.6%	77.0%	-30.5%									
DACH region > 90%														
SECTOR EXPOSURE														
	Pos. No	%Gross	Net Exp	Long	Short									
Technology	13	20.0%	18.1%	19.9%	-1.7%									
Media/Retail	12	15.1%	13.5%	14.9%	-1.3%									
Industrials/Materials	16	26.6%	15.2%	21.9%	-6.7%									
Financials/Real Estate	3	1.4%	1.5%	1.5%	0.0%									
Auto/Transport	5	21.2%	3.4%	13.1%	-9.7%									
Energy/Renewables	4	5.4%	5.8%	5.8%	0.0%									
Healthcare	2	1.3%	-1.4%	0.0%	-1.4%									
DAX / MDAX	3	8.9%	-9.6%	0.0%	-9.6%									
Total	58	100.0%	46.6%	77.0%	-30.5%									
ASSET ALLOCATION														
	Pos. No	%Gross	Net Exp	Long	Short									
Equity	50	84.1%	49.9%	70.2%	-20.3%									
Fixed Income	4	6.4%	6.9%	6.9%	0.0%									
Future	2	7.4%	-8.0%	0.0%	-8.0%									
Option	2	2.0%	-2.2%	0.0%	-2.2%									
Total	58	100.0%	46.6%	77.0%	-30.5%									

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 – February 2015

o **Returns: +3.13% (class A)/+3.33% (class B)**

In February, the Tiger Value Fund had a positive net return of +3.13% for share class A and +3.33% for share class B, making a cumulative positive net return of +5.27%/+5.49% year-to-date and +80.0%/+91.7% since inception (share class A/B).

o **Commentary: solid performance but difficult environment for shorts**

We started the month with around 39% adj. net exposure (47.7% incl. fixed income linked investments) and increased the exposure to around 55% driven by new investment ideas and short covering. In addition, we booked significant profits on some investments and added single shorts as well as index hedges by the middle of February. At the end of the month our adjusted net exposure was nearly unchanged at 40.2% (46.6% incl. fixed income linked investments) compared to 31 January 2015.

Our top performers and contributors were Aareal (+120bp), BMW (+118bp), RHI (+93bp), Ferratum (+67bp), Zeal Networks (+37bp), Braas Monier (+29bp) and FACC (+28bp). We scaled out some RHI shares after its strong year-to-date performance of 35% and locked-in our profits at Aareal Bank after our catalysts materialized and the stock performed 25% since we enter the position.

On the negative side some of our short positions didn't work and we had to cover those positions according to our stop loss rules, but are likely to re-enter some of these shorts ahead of potential negative catalysts. Although we still believe the fundamental case for many of our short positions, in the current market environment profit warnings don't work well as too many investors are keen to increase their equity exposures and disregard the poor short term outlook and structural issues. The market environment makes it quite difficult to book profits on single shorts. As a consequence we are likely to stay away from crowded shorts. Overall our hedging and catalyst shorts burdened the performance by 187bp and our index hedges by 27bp in February.

o **Discussion: Ferratum – strong growth and catalysts ahead**

We participated in the recent IPO of Ferratum (MarketCap of Eur 400m), a top European mobile lender for microloans with a strong 10 year track record. The company is currently active in 20 countries and plans to roll-out another 10 countries in the medium term. Ferratum applies an in-house big data scoring system which has worked very well over the last years rejecting more than 70% of all loan applications. This and a state-of-the-art debt collection management allows for industry leading loan impairments of only 7% (vs. industry of 8%). The company's microloan business model is highly attractive as it offers approximately 70% gross margins and is currently growing with 40% year-over-year. In addition, the management plans to roll-out new products such as larger loans, deposit business (to fund loan volume growth), a mobile banking and peer-to-peer lending platform over the next months. These expansions of the business are seen as the key catalysts for the stock which will give the company even more growth momentum over the next years.

We also like the fact that the company has an office in Zug and is running its servers (key business risk) from Switzerland, one of the best locations to protect data and ensure smooth operations. With the roll-out of additional countries and products it's likely that the company will significantly exceed its current revenue growth run rate of approximately 40% p.a. Given the strong revenue growth and high operating leverage the EBIT should grow disproportionately strong. After we helped some investors to enter a position at a 10% IPO price premium we are likely to keep our current position to participate from the strong growth and upside potential in the coming years.

o **Outlook: Front running the ECB**

In February the DAX rose by another +6.6% making the YTD return an amazing +16%. Even the broader Stoxx 600 Europe index was up +6.9% in February and +14.5% YTD. Considering that 2015 consensus earnings growth have been revised down from 11.5% to 7.3%, the entire rally has again been driven by an incredible +19% multiple expansion. The 2015 Price to earnings ratio (PE) for Stoxx600 now stands at a record 16.5x. Hence, it's quite clear that the latest leg up in the markets are purely driven by a lowering of the implied discount rate by the market front running the launch of ECB QE in March. With the 10 year German bund yield at 0.33% and even Portugal's 10 year yield at 1.79% (even below the US 10 year yield), European equities are still cheap relative to bond yields but on an absolute valuation basis equities are at record valuations. Nevertheless, looking under the surface, there are a lot of stocks in our universe which are barely up while others have performed 30-50% in the year-to-date.

Considering our relatively cautious view on the European and global economy, we believe interest rates are likely to remain low for a considerable period of time which will support current equity valuations. Nevertheless, these high valuations of some industries will actually give us the opportunity to eventually profit on the short side in particular once the Q1 reporting season starts and the deterioration in earnings expectations continues at some of our short candidates.

As mentioned frequently in the past, our investments are predominantly catalyst driven with a relatively minor correlation to the overall economic environment. And although the fund has performed quite well so far this year, the expected catalysts for many of our largest positions have yet to come implying still significant upside in our portfolio. Hence, while we believe the aggregate equity valuation in Europe is becoming quite stretched and have therefore increased our index hedges, we are fiercely optimistic on the potential investment returns in our portfolio.

The Tiger Value Fund Desk, 3rd March 2015



Matthias Rutsch



Marc Schädler



Peter Irlblad

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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 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 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 Active Value	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	High Water Mark	Yes
Red. Frequency	Monthly	Eligible Investors	See Issue Document
Redemption Notice		Leverage	Maximum 200% of NAV
Share Class A	2 months	Fund Benchmark	DJ CS HF Index L/S Equity
Share Class B	6 months		

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, Phone: +352 248 329-1
Investment Advisor	Tiger Asset Management GmbH
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Sub-Advisor	PHZ Privat- und Handelsbank Zürich AG
Contact	Phone: +41 43 443 71-00
Prime Broker/Custodian	SEB AB / SEB SA
Administrator	European Fund Administration SA
Auditor	PriceWaterhouseCoopers

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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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04 March 2015