

Newsletter February 2019

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

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Launch date	12 Dec 2008	Total Gross Exposure	74.5%	Total Long Exposure	50.6%	Long Equity Exposure	47.2%						
AuM	\$ 116m / € 102m	Total Net Exposure	26.8%	Total Short Exposure	23.8%	Net Equity Exposure	23.4%						
NAV*		ISIN		Bloomberg		NAV*		ISIN		Bloomberg			
Share Class A	€ 1,891.28	LU0400329677		TIGERAA LX EQUITY		Share Class U	\$ 865.39	LU1647855136		TIGERVU LX EQUITY			
Share Class B	€ 2,082.49	LU0400329750		TIGERAB LX EQUITY		Share Class C	€ 832.67	LU1744650885		TIGEREC 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	89.1%	6.5%	1.09x	6.2%									
Share Class B	108.2%	7.5%	1.21x	6.5%									
POSITIONS													
Positions (excl. Options/FI)			Weightings (% of Gross)										
Longs	32	Long		Short									
Shorts	22	Top 5		Top 10									
Positions	54	24.6%		10.9%									
		37.4%		17.8%									
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%											4.60%
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%											4.69%
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%											4.78%
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%	0.25%											4.65%
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 – February 2019

o **Returns: +0.23% (class A)/+0.26% (class B)/+0.43% (class U)**

In February, the Tiger Value Fund (“TVF”) had a net return of +0.23% for share class A and +0.26% for share class B, making a cumulative net return of +4.60%/+4.69% for share class A and B for the year-to-date and +89.1%/+108.2% since inception (share class A/B). Our FX hedged USD share class U had a net return of +0.43% in February, making a cumulative net return of 4.78% for the year to date.

o **Commentary: Low net exposure - positive catalysts ahead**

In February we kept our low average net equity exposure of around 25% which was very favorable at the start of the month during the sell-off when the TVF was stable with no draw down but also so far we couldn't participate in the upswing. We had to sell some of our long positions and temporarily even went short as we expect some disappointments which also lowered our net exposure. Overall the market performance was very narrow with a few stocks performing very well while others are down or only slightly up for the year to date. Also some of our long positions haven't performed this year as positive catalysts still have to materialize.

Our top long performers were Bayer (+24bp), PNE Wind (+19bp) and EnergieKontor (+16bp). On the negative side we lost 30bp on Ferratum which consolidated after the good performance in January. We are confident that we will see positive attributions from Ferratum over the coming months as we expect significant profit growth for 2019.

We believe Bayer's share price seems to include minimal expectations of a win of the first “bellwether Glyphosate trial” which started on Monday, 25 February. In contrast to the market we see a high probability that Bayer will win the first trial of the year, also because the judge has split the trial into two phases. In the first phase the lawyers of the plaintiff need to prove that Roundup caused the plaintiff's cancer which will be a challenge as the plaintiff had Hepatitis C for many years that at least doubles the risk of developing cancer. The second part would look at Bayer's liability and punitive damages. We anticipate a verdict on the first phase of the case within three weeks and swapped most of our Bayer cash equity position into call options. As a result we have very limited downside but keep the upside. We expect a significant positive share price reaction once it's clear that Bayer will win the first trial. Bayer trades at just 7x of its 2022 EPS guidance, so the risk/reward looks very favorable. Also at a few other positions we have identified positive short term catalyst which makes us confident for the coming months.

Our single short book slightly burdened the performance with 3bp (average single short exposure was 23.9%) and our DAX Future and Put Option hedges cost us 2bp as we covered our DAX Futures during the sell-off. Although some of our single shorts burdened our performance due to the overall positive market performance we also had a few shorts with negative surprises that we were able to recoup most of our hedging costs.

o **Outlook: Asymmetrical risk reward ahead**

In February, global equity markets gained further with the MSCI World Index advancing +2.8% and the DAX increasing +3.1% as investors gained confidence that a US/China trade deal is imminent. In contrast, earnings momentum has continued to slow with the STOXX Europe 600 Q4 2018 earnings growth now expected to come in at +2.6% vs. +14.4% in Q3 2018. Expectations for Q1 2019 has similarly crashed to now a mere +2.1% vs. expectations of +11% in early October. Earnings expectations for 2019 as a whole is now +4%. In addition, leading indicators such as the manufacturing

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PMI continued to deteriorate in February with the Markit/BME Germany Manufacturing PMI index falling to a 6 year low of 47.6 in February.

At the end of 2018 we were positive on the prospects for equity market returns broadly as the markets were oversold, valuations were cheap and a lot of negativity (including further earnings erosion) was discounted creating a favorable asymmetric risk reward situation. Now on the other hand, after a strong market recovery at the beginning of 2019, the risk reward situation is becoming asymmetrical for several strong performing stocks in an unfavorable way.

In the case of a favorable outcome in the US/China trade dispute, or in the Brexit negotiations, we may see further near term upside potential in European equity markets but the attention will soon thereafter turn to the overall weakening economy and the rising cost pressure already squeezing corporate profit margins. We have seen numerous profit warnings at the start of 2019 where companies are already seeing diminished margins despite a still growing revenue base. In the case of a weak, or no US/China trade deal or hard Brexit, there will be a negative market reaction in our opinion.

Due to the current unfavorable risk reward situation and the uncertain outcome of the US/China trade dispute and Brexit negotiations we decided to continue to run the Fund at a lower net equity exposure of around 25-35%. Our long and short ideas will continue to be the main driver for our net exposure in the coming months with the aim to participate in equity market upswings but to be protected on the downside.

The Tiger Value Fund Desk, 5th March 2019



Matthias Rutsch



Marc Schädler



Peter Irbld

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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 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

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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