

Newsletter August 2016

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

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Launch date	12-Dec-08	Total Gross Exposure	107.6%	Total Long Exposure	74.0%								
AuM	€ 45 m	Total Net Exposure	40.4%	Total Short Exposure	33.6%								
NAV*		WKN	ISIN	Bloomberg	Reuters								
Share Class A	€ 2,009.56	A0Q5LH	LU0400329677	TIGERAA LX EQUITY	LP68023199								
Share Class B	€ 2,168.80	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	101.0%	9.5%	1.53x	6.4%									
Share Class B	116.9%	10.6%	1.64x	6.6%									
POSITIONS													
Number of Positions		Weightings (% of Gross)											
Long Positions	40	Long	22.5%	Short									
Short Positions	24	Top 5	40.3%	Top 10									
Total No. Positions	64												
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%					1.04%
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%					1.38%
MARKET CAPITALISATION													
	Pos. No	%Gross	Net Exp	Long	Short								
Large (>€5bn)	9	15.0%	-11.8%	2.2%	-13.9%								
Mid (>€1bn)	15	24.6%	4.8%	15.6%	-10.9%								
Small - Mid (€0.5-€1bn)	9	14.3%	2.9%	9.2%	-6.2%								
Small (€50m-€500m)	26	43.8%	42.0%	44.6%	-2.6%								
Micro (<€50m)	5	2.3%	2.4%	2.4%	0.0%								
Total	64	100.0%	40.4%	74.0%	-33.6%								
DACH region > 90%													
SECTOR EXPOSURE													
	Pos. No	%Gross	Net Exp	Long	Short								
Technology	19	24.0%	0.7%	13.3%	-12.6%								
Media/Retail	16	27.0%	8.7%	18.9%	-10.2%								
Industrials/Materials	13	17.6%	8.5%	13.7%	-5.2%								
Real_Estate/Financials	5	9.6%	8.0%	9.2%	-1.2%								
Auto/Transport	3	4.9%	3.0%	4.1%	-1.1%								
Energy/Renewables	7	14.8%	13.7%	14.8%	-1.1%								
Healthcare													
DAX / MDAX	1	2.0%	-2.2%	0.0%	-2.2%								
Total	64	100.0%	40.4%	74.0%	-33.6%								
ASSET ALLOCATION													
	Pos. No	%Gross	Net Exp	Long	Short								
Equity	56	87.1%	46.1%	69.9%	-23.8%								
Fixed Income	3	3.8%	4.1%	4.1%	0.0%								
Future													
Option	5	9.1%	-9.8%	0.0%	-9.8%								
Total	64	100.0%	40.4%	74.0%	-33.6%								

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 – August 2016

o **Returns: +1.05% (class A)/+1.10% (class B)**

In August, the Tiger Value Fund (“TVF”) had a positive net return of +1.05% for share class A and +1.10% for share class B, making a cumulative positive net return of +1.04% and +1.38% for the year-to-date and +101.0%/+116.9% since inception (share class A/B).

o **Commentary: Rebound of value stocks has started**

While the TVF increased the net adjusted exposure only slightly during August to 35.3% (excl. 4.1% fixed income linked positions) the gross exposure increased significantly by adding selective long and short positions from 91.7% to 107.6%.

On our long book the most significant attributors were Senvion (+111bp), Freenet (+32bp), Francotyp-Postalia (+43bp) and MLP (+33bp). Senvion a German Wind turbine manufacturer was our strongest performer as the stock rebounded nearly 40% from an all-time low after the company announced good Q2 results, a value accretive acquisition and a share buy-back program coupled with significant insider buying and a broker upgrade. Senvion is still trading at less than 5x EBITDA 2017 a 40-50% discount to its peers making it an attractive takeover target in particular for strategic Asian buyers.

On the negative side we had Tom Tailor with -25bp deduction which suffered from a weak summer season but has initiated a restructuring program which should result in a strong rebound in profitability and free cash flow. On our numbers the company is trading on a FCF yield of > 20% implying significant upside even assuming a more conservative scenario.

Although GFK which we had highlighted earlier this year collapsed 25% after another profit warning the TVF suffered only 9bp as our 10 Point Scoring System triggered a partial sale of the stock already three months ago. At the time of the profit warning we had a significant lower position compared to the beginning of the year and scaled back into GFK stock after the profit warning at recent lows. The company is now trading on a 50% discount to its peers at 5x EBITDA 2017 and a normalized FCF yield > 10% making it an attractive target for any financial and strategic investor.

Our single shorts (incl. Put Options) and index hedges (DAX Put Options) burdened the performance with -132bp and -21bp respectively, lowering our attributions from single shorts and hedging to +130bp for the year-to-date. At some of our single shorts we were once again forced to cut losses (stop loss rules) after the stocks performed well despite muted earnings results. In addition to our single short portfolio we started to add more Put Options on single stocks (7.6% delta adjusted of the NAV) and the DAX (2.2%) after the volatility collapsed making it more attractive compared to single shorts. With an average weighted delta for our Put Option portfolio of 0.3 the net adjusted exposure of the TVF would drop from 35% to approximately 15% in case of a market correction to recent year lows. Also if markets continue the drift upwards we should see positive contributions from our short book as we discovered attractive short candidates for the coming months.

o **Outlook: Volatility collapse**

DAX gained +2.5% in August while STOXX Europe 600 was broadly flat (+0.5%). In previous years, August have frequently experienced significant volatility; whether it was the China devaluation last year or the US debt-ceiling crisis in 2011. This year however, equity markets globally came to a complete standstill with realized volatility (and trading volumes) collapsing to multi decade lows. With limited news flow and summer vacation in Europe, it seems most investors went to the beach instead.

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Recent macro-economic data has confirmed our outlook of slowing growth in Europe after a strong start to the year and continued sluggish growth in the US. We continue to see no reason to expect any immediate reacceleration in growth; in contrast, the risk is rather on the downside.

Nonetheless, with the advent of September, volatility should return. Next week we might see the ECB revising their economic outlook and possibly discussing the need for further monetary policy action (as widely expected). The week after, the Federal Reserve might finally raise rates for the second time since the federal funds rate hit 0% followed by the Bank of Japan meeting at the end of the month. Unfortunately, it remains a market heavily influenced and manipulated by central bank activity.

As mentioned last month, while we see many attractive investment opportunities, our existing portfolio and pipeline of very attractive value investments is currently not attracting much interest in this market environment depressing the TVF's returns. Therefore, while it's an excellent market to start building new positions, patience is required for realizing the investment return. Having said that, in the last few days we have seen some selective bottom fishing in some previously unappreciated stocks and sectors.

The Tiger Value Fund Desk, 2nd September 2016



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 30 long investments 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	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	5 days - monthly*	Fund Benchmark	CS HF Index L/S Equity
Share Class B	6 months		

*) The redemption notice has to be send to the Administrator five business days prior to month end (cut-off 5pm). Therefore the minimum redemption period is 5 days for share class A. 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

Management Company	Alceda Fund Management SA
Investment Advisor	Tiger Asset Management GmbH
Prime Broker/Custodian	SEB AB / SEB SA
Administrator	European Fund Administration SA
Swiss Representative	ACOLIN Fund Services AG
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.

The state of the origin of the Fund is Luxembourg. 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.

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