

# Newsletter September 2020

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

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Launch date	12 Dec 2008	Total Gross Exposure	108.2%	Total Long Exposure	75.3%	Long Equity Exposure	73.9%						
AuM	\$ 71m / € 61m	Total Net Exposure	42.3%	Total Short Exposure	33.0%	Net Equity Exposure	41.0%						
Share Class A	NAV* € 2,398.47	ISIN LU0400329677	Bloomberg TIGERAA LX EQUITY	Share Class U	NAV* \$ 1,116.75	ISIN LU1647855136	Bloomberg TIGERVU LX EQUITY						
Share Class B	€ 2,662.93	LU0400329750	TIGERAB 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	139.8%	7.7%	1.04x	7.9%									
Share Class B	166.3%	8.7%	1.14x	8.1%									
POSITIONS													
Positions (excl. Options/FI)		Weightings (% of Gross)											
Longs	32	Long	34.9%	Short	15.3%								
Shorts	14	Top 5	46.7%	Top 10	24.0%								
Positions	46												
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%	-0.91%	1.44%	-4.53%	1.09%	2.81%	1.72%	0.49%	1.98%	3.69%	2.92%	16.05%
2020	2.02%	-4.01%	-6.80%	7.77%	2.84%	7.79%	1.31%	2.69%	0.76%				14.31%
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%	-0.87%	1.48%	-4.49%	1.13%	2.86%	1.76%	0.53%	2.03%	3.73%	2.96%	16.64%
2020	2.06%	-3.97%	-6.76%	7.81%	2.89%	7.64%	1.36%	2.90%	0.84%				14.77%
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%	-0.65%	1.69%	-4.27%	1.31%	3.06%	2.07%	0.73%	2.27%	3.38%	3.18%	18.68%
2020	2.19%	-3.87%	-6.46%	7.87%	2.95%	6.27%	1.41%	2.77%	0.81%				13.93%
MARKET CAP EXPOSURE						ASSET ALLOCATION							
SECTOR EXPOSURE													
DACH Region > 80% (country of origin); DACH-linked Region > 90%													
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 – September 2020

#### o **Returns: +0.76% (class A)/+0.84% (class B)/+0.81% (class U)**

In September, the Tiger Value Fund (“TVF”) had a positive net return of +0.76% for share class A and +0.84% for share class B, making a cumulative net return of +14.31%/+14.77% for share class A and B for the year-to-date and +139.8%/+166.3% since inception (share class A/B). Our FX hedged USD share class U had a net return of +0.81%, making a cumulative net return of 13.93% for the year-to-date.

#### o **Commentary: Up in down markets - mixed bag**

Although overall equity markets were down (e.g. DAX -1.4%) and we had a mixed bag with a few strong performers and some consolidators, the TVF was up in September with +0.76%/+0.84%/+0.81% (class A/ B/ U). While our average net equity exposure was 30.7%, the net equity exposure increased to 41.0% by the end of the month which was largely a function of our large Dax Put Option exposure which swung quite sharply in the last few days of the month and reduced our short exposure.

In September, our top four attributors were Dräger (+12%), Energiekontor (+28%), Royal Mail (+33%) and Klöckner & Co (+9%) attributing +412bp. Dräger (11x PER 2021e), we re-entered at the month lows after the company announced that the initial German government order of 10k ventilators was reduced. In fact, this was positive news as the company will get compensated and sell the ventilation systems to other countries where its urgently needed. Including aftermarket sales, Dräger will profit much more than delivering ventilators which are not getting used. At Royal Mail (4-5x EV/EBITDA 2022/23e) the share price rallied 25% in one day after a strong trading statement. As the company is still in negotiations with the unions the communication was twisted to the negative with focus on declining letter volumes. We booked some profits but stay invested as we see continued strong growth at its parcel business. Klöckner’s share price rallied 15% after we doubled our position ahead of the guidance upgrade. While Klöckner, as a steel trader, is operating in a cyclical industry it has put a lot of effort in the digitalization of its business. COVID-19 accelerated the transformation of the business model with the share of digital revenues constantly increasing from 19% in 2018 to >50% by the end of next year (currently 40%). The company will leverage its digital platform which should result into strong profit growth over the coming years. In addition to the positive effects from the transformation program, the company profits currently from a presumed revival in demand from the automotive industry and the recently positive development of steel prices. At 0.5x Price-to-Book and 4-5x EV/EBITDA 2021/22e we still see the current share price as an attractive entry point.

On the negative side Tele Columbus (-26%), Ferratum (-4%), Agfa Gevaert (-4%) and Schöller Bleckmann (-9%) burdened our performance by 319bp. In particular Tele Columbus disappointed us by not giving any details on how to finance the planned fibre roll-out. As a consequence of lacking news flow and the fear that Tele Columbus plans a shareholder value destroying capital increase the share price had a significant set-back. It is now rumored that the friends Ralph Dommermuth (30% stake) and Oliver Samwer (> 12% stake) plan a takeover of Tele Columbus. In any case, we see significant upside by implying recent cable network M&A multiples and wait for the promised news in Q4.

On our short book we had a slight negative detraction of -3bp as we didn’t book any profits on our DAX hedges which cost us 24bp in September. Our single short book added +21bp as we had positive attributions from a financial service short which lost more than 50% in September. During September we rolled over our index hedges, holding 900 DAX Oct/Nov Put Options with exercise prices between 11k and 12k which we financed via the short sale of 200 DAX Call Options.

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### o **Outlook: Reality check**

After having walked on water in August, global equity markets faced a reality check in September mainly triggered by a sharp sell-off of US tech stocks. For the month of September, the DAX and Stoxx Europe 600 both fell -1.4% but actually outperformed the US tech heavy NASDAQ 100 index (-5.7%) and S&P500 (-3.9%).

While the equity markets' main focus in September was the tech implosion, equity markets have so far paid little attention to the alarmingly accelerating trend of COVID-19 infections in Europe resulting in increased restrictions and renewed lock downs in the UK, France and Spain in particular. In addition, Friday morning news that US President Trump and his wife have been infected by the virus will certainly put the financial markets focus back on COVID-19. As mentioned in previous newsletters, we remain highly skeptical of the equity markets seemingly optimistic recovery scenario and expect the economy to remain sluggish in the near term. This outlook has been confirmed, at least for Europe, in recent conversations we have had with numerous CEO's across various industries in September as well as the recent September Eurozone Services PMI declining to 47.6 vs. 50.5 in August indicating a stalled recovery.

While our net equity exposure ended relatively high at 41%, largely a function of our large Dax Put Option exposure, there is no change in our overall cautious outlook to the equity markets and most of our long positions are non-cyclical and relatively uncorrelated with the overall market and economy such as Zeal Network, Tele Columbus, Royal Mail and Energiekontor. We continue to expect to be at the lower end of our typical 20-50% net exposure range for the next month's allowing us to capitalize from any rise in volatility.

***The Tiger Value Fund Desk, 4<sup>th</sup> October 2020***

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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 7-10% p.a. with strong focus on capital preservation.

### Investment Strategy

The Investment Advisor is specialized on a fundamental European long/short equity strategy. 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 a company - ultimately driving 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 20-30 long investments (excl. residual positions, options and fixed income linked positions) with a target net long exposure of around 20-60%. The geographic focus is likely to be Germany, Austria and Switzerland.

Fund Information		Fee Structure and Risk Management	
Currency	EUR	ManCo/Admin/Custodian Fee	Up to 0.39%
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%
Style mandate	Long/Short and Active Value	Performance Fee	
Investment Min		Share Class A/U	20%
Share Class A/U	€ 125,000 /US-\$ 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/U	5 business days*	Fund Benchmark	CS HF Index L/S Equity
Share Class B	6 months		

\*) The redemption notice has to be faxed to the Administrator five business days prior to month end (cut-off 5pm CET). Therefore, the redemption term is monthly with a notice period of 5 days. 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

<b>Management Company</b>	Lemanik Asset Management SA
<b>Investment Advisor</b>	Tiger Asset Management AG
<b>Prime Broker/Custodian</b>	SEB AB / SEB SA
<b>Administrator</b>	European Fund Administration SA
<b>Swiss Representative</b>	ACOLIN Fund Services AG
<b>Auditor</b>	Price Waterhouse Coopers

**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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