

Newsletter July 2012

TIGER FUND - Tiger Value Fund (FCP-SIF)

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Fund Information														
Launch date	12-Dec-08	Total Gross Exposure				76.1%	Total Long Exposure				47.2%			
AuM	€ 23.9 m	Total Net Exposure				18.3%	Total Short Exposure				28.9%			
	NAV*	WKN		ISIN		Bloomberg			Reuters					
Share Class A	€ 1,353.61	A0Q5LH		LU0400329677		TIGERAA LX EQUITY			LP68023199					
Share Class B	€ 1,405.82	A0RDZZ		LU0400329750		TIGERAB LX EQUITY			LP68023200					
Net Performance				Fund Performance vs. DJ CS HF Index L/S Equity since inception***										
	Since inception	YTD	Sharpe Ratio**											
Share Class A	35.36%	3.58%	1.20x											
Share Class B	40.58%	3.88%	1.29x											
Positions														
Number of Positions		Weightings (% of Gross)												
Long Positions	27	Long		Short										
Short Positions	18	Top 5	31.6%	22.1%										
Total No. Positions	45	Top 10	46.0%	31.4%										
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%						3.58%	
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%						3.88%	
Market Capitalisation														
	Pos. No	%Gross	Net Exp	Long	Short									
Large (>€5bn)	16	42.6%	-15.5%	8.5%	-23.9%									
Mid (>€1bn)	5	14.3%	3.0%	6.9%	-4.0%									
Small - Mid (€500m-€1bn)	4	4.7%	1.6%	2.6%	-1.0%									
Small (€50m-€500m)	12	25.8%	19.7%	19.7%	0.0%									
Micro (<€50m)	8	12.5%	9.5%	9.5%	0.0%									
Total	45	100.0%	18.3%	47.2%	-28.9%									
Geographic focus: DACH region (> 90%)														
Sector Exposure														
	Pos. No	%Gross	Net Exp	Long	Short									
IT	9	15.1%	8.7%	10.1%	-1.4%									
Media/Retail	6	10.6%	-4.0%	2.1%	-6.0%									
Industrials/Materials	14	44.2%	5.5%	19.6%	-14.1%									
Financials/Real Estate	3	6.1%	4.6%	4.6%	0.0%									
Auto/Transport	5	11.6%	0.0%	4.4%	-4.4%									
Energy/Renewables	2	1.6%	1.2%	1.2%	0.0%									
Healthcare	5	8.0%	4.3%	5.2%	-0.9%									
DAX / MDAX	1	2.8%	-2.1%	0.0%	-2.1%									
Total	45	100.0%	18.3%	47.2%	-28.9%									
Asset Allocation														
	Pos. No	%Gross	Net Exp	Long	Short									
Equity	40	89.1%	14.2%	41.0%	-26.8%									
Fixed Income	4	8.1%	6.2%	6.2%	0.0%									
Future	1	2.8%	-2.1%	0.0%	-2.1%									
Option														
Total	45	100.0%	18.3%	47.2%	-28.9%									
Tiger Asset Management GmbH - phone +41 (0)41 500 33 46 - info@tiger-am.com														

Source: TAM / EFA; *NAV daily calc. by EFA; **TAM, calc. risk free rate: 2.5% ***www.hedgeindex.com, Broad Indexes Long/Short Equity

Tiger Value Fund – July 2012

○ **Returns: -0.59% (class A)/-0.54% (class B)**

In July the Tiger Value Fund had a negative net return of 0.59% for share class A and 0.54% for share class B, making a cumulative net return of +3.58%/ +3.88% in the year-to-date and +35.36%/ +40.58% since inception (share class A/B).

○ **Commentary: Small caps out of favor; large caps en vogue**

In July we kept our adjusted low net exposure at around 8-12% (14-18% incl. 6% fixed income linked investments). Unfortunately our performance was negative again as our cautious stance as well as the relatively poor performance of our small caps hurt our monthly performance despite rallying stock markets. While many DAX and MDAX companies headed to new highs our value stocks and small caps still trade at very depressed levels. Currently, we find a lot of great buy and sell ideas which eventually should result in a positive monthly performance.

While our positions in Wincor Nixdorf, Rhoen Klinikum, Francotyp Postalia, BWIN, Centrotherm and Volta Finance contributed positively with +139bp, on the negative side Kontron cost the Fund -74bp after the company issued a profit warning. The profit warning was poorly presented by Kontron's management which resulted in a harsh sell off in the stock. Having discussed the issues and efficiency improvements with management, investors and analysts we see this pull back as a buying opportunity. For a leading technology company trading at 0.7x Price-to-Book and 3x EBITDA 2013e, Kontron's valuation looks extremely undemanding making it an attractive takeover target.

Our single shorts and DAX/MDAX future hedges cost the Fund -110bp.

○ **Discussion: KHD Humboldt Wedag – Market Cap below cash position**

KHD Humboldt Wedag International AG (KWG, €5, MCap: €250m) is one of our recent value investments which we bought below its current net cash position of €5.5 per share. Even if we adjust the cash position for negative working capital and pension liabilities we derive at an adjusted net cash position of €4.8 per share. KHD is a 150 year old German Mittelstands company offering process engineering and projects for the cement industry particularly to emerging markets. The company tripled the order intake in H1 2012 and announced a record order book of €440m which should result in strong profit growth in 2013 and 2014.

Also, the new strategic Chinese investor, AVIC (state-owned), which holds >20% in KHD, could lower KHD's dependency on a high cash position to operate the engineering business. A second investor group including funds such as Sterling Strategic Value and Hermes have recently increased their stakes to 12% combined. The activist investors intend to install two supervisory board members at the AGM on 5 October. For our investment case it's important that investors make sure that management is using the cash position to create shareholder value either via a special dividend/share buy-back program or via earnings accretive strategic investments to pursue the company's growth strategy. Please don't hesitate to get in touch with us in case you are invested in KHD that we may organize to execute your voting rights in favor of all minority shareholders.

So far the management didn't promote the investment case and we believe that KHD is under the radar screen of most investors. This will change in future with engaged shareholders pushing to improve investor communication and shareholder value.

o **Outlook: Market gains still largely based on hope**

Fundamentally, the last month has pretty much turned out as we had anticipated, continued recession in the Eurozone economies, more pervasive signs of a slowdown in the US and China and weak Q2 results.

So far in the European Q2 reporting season we are heading for the second-worst quarter for earnings since 2003, with 37% of companies missing expectations and 8% more companies missing the market's expectations than beating. The weakness is even more profound when looking at revenues, as most companies have still been able to squeeze costs further and expand margins. What is even more spectacular is that at the start of 2012, the consensus was for European companies to report earnings growth of more than 13% in 2012, according to I/B/E/S. By the end of Q2 the expected growth had dropped to about 4%. Today, the consensus is for growth of just 0.7%. So while some companies are still meeting expectations, very few are meeting the expectations at the start of the year.

Having said that, with the broad Stoxx600 index is +10% and the DAX +18% year-to-date, our fundamental outlook has not translated into the equity market weakness we had expected. It seems the perennial hope of imminent central bank action has continued to support equities despite the "unexpected" inaction of all major central banks in early August. A few resolute (and largely misinterpreted) words from the ECB president Mario Draghi was all it took for the market to regain its mojo after staring into the abyss in late July when Spanish 2 year bond yields hit 6.5%.

Nevertheless, we still do not see any reason to rejoice as most companies have become more cautious in their outlook and most leading indicators still point to further economic weakness. In addition, while the ongoing Eurozone crisis might have taken a vacation for a few weeks in August, it will be back to business in September with the ESM ruling in Germany, possible Spanish bail-out request, Troika report on Greece, Dutch elections and so on.

Therefore, we remain cautious in our portfolio positioning with a low net equity exposure until the market is more adequately pricing in the economic and political risks we continue to face. We remain focused on catalyst driven and uncorrelated investment ideas like our recent investment in KHD Humboldt, as described on the previous page.

The Tiger Value Fund Desk, 16th August 2012.



Matthias Rutsch



Marc Schädler



Peter Irbld

Newsletter July 2012

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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 fundamental long-short equity stock-picker. The fund seeks undervalued small and midcap companies where a number of issues, which in our opinion can be improved, are sub-optimizing the company's public market value. For each position we perform a detailed research process including a 360 degree research approach and 10 point scoring system.

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 15-30 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	Highwater Mark	Yes
Red. Frequency	Monthly	Eligible Investors	See Issue Document
Redemption Notice		Leverage	Maximum 200% of NAV
Share Class A	3 months	Fund Benchmark	DJ CS HF Index L/S Equity
Share Class B	6 months		

Fund Advisor Details and Service Providers

Investment Advisor	Tiger Asset Management GmbH
Contact	Matthias Rutsch, Phone: +41 (0)41 500 33 46 Peter Irblad, Phone: +41 (0)41 500 33 45 Marc Schädler, Phone: +49 (0)40 226 32 35 11
Sub-Advisor	PHZ Privat- und Handelsbank Zürich AG
Contact	Phone: +41 (0)43 443 71 00
Management Company	Alceda Fund Management SA
Prime Broker	SEB AB
Administrator	European Fund Administration SA
Custodian	SEB SA
Auditor	PriceWaterhouseCoopers

Newsletter July 2012

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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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16 August 2012