

Newsletter January 2013

TIGER FUND – TIGER VALUE FUND (FCP-SIF)

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FUND INFORMATION													
Launch date	12-Dec-08	Total Gross Exposure		78.1%	Total Long Exposure		64.1%						
AuM	€ 25.8 m	Total Net Exposure		50.1%	Total Short Exposure		14.0%						
	NAV*	WKN		ISIN		Bloomberg		Reuters					
Share Class A	€ 1,458.85	AOQ5LH		LU0400329677		TIGERAA LX EQUITY		LP68023199					
Share Class B	€ 1,520.13	AORDZZ		LU0400329750		TIGERAB LX EQUITY		LP68023200					
NET PERFORMANCE METRICS (SINCE INCEPTION)				FUND PERFORMANCE vs. DJ CS HF INDEX L/S EQUITY **									
	Return	Sharpe Ratio***	Volatility (p.a.)										
Share Class A	45.89%	1.47x	6.49%										
Share Class B	52.01%	1.59x	6.71%										
POSITIONS													
Number of Positions		Weightings (% of Gross)											
Long Positions	34	Long											
Short Positions	13	Short											
Total No. Positions	47	Top 5	27.1%	12.3%									
		Top 10	46.0%	16.5%									
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%												3.57%
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%												3.78%
MARKET CAPITALISATION													
	Pos. No	%Gross	Net Exp	Long	Short								
Large (>€5bn)	10	27.7%	3.4%	12.5%	-9.1%								
Mid (>€1bn)	10	16.5%	6.4%	9.6%	-3.3%								
Small - Mid (€500m-€1bn)	4	7.3%	2.8%	4.2%	-1.4%								
Small (€50m-€500m)	17	35.7%	27.5%	27.7%	-0.2%								
Micro (<€50m)	6	12.8%	10.0%	10.0%	0.0%								
Total	47	100.0%	50.1%	64.1%	-14.0%								
Geographic focus: DACH region (> 90%)													
SECTOR EXPOSURE													
	Pos. No	%Gross	Net Exp	Long	Short								
Technology	16	35.5%	16.1%	21.9%	-5.8%								
Media/Retail	5	9.0%	5.6%	6.3%	-0.7%								
Industrials/Materials	10	20.0%	12.1%	13.8%	-1.7%								
Financials/Real Estate	2	3.8%	3.0%	3.0%	0.0%								
Auto/Transport	7	16.1%	1.1%	6.8%	-5.7%								
Energy/Renewables	4	7.5%	5.9%	5.9%	0.0%								
Healthcare	3	8.1%	6.3%	6.3%	0.0%								
DAX / MDAX													
Total	47	100.0%	50.1%	64.1%	-14.0%								
ASSET ALLOCATION													
	Pos. No	%Gross	Net Exp	Long	Short								
Equity	41	89.4%	46.4%	58.1%	-11.7%								
Fixed Income	4	7.3%	5.7%	5.7%	0.0%								
Future													
Option	2	3.3%	-2.1%	0.2%	-2.3%								
Total	47	100.0%	50.1%	64.1%	-14.0%								
Tiger Asset Management GmbH - phone +41 (0)41 500 33 46 - info@tiger-am.com													
Source: TAM / EFA; * NAV daily calc. by EFA; ** www.hedgeindex.com, Broad Indexes Long/Short Equity, performance since inception; *** TAM inhouse calculation													

Tiger Value Fund – January 2013

○ Returns: +3.57% (class A)/+3.78% (class B)

In January the Tiger Value Fund had a positive net return of +3.57% for share class A and +3.78% for share class B, making a cumulative net return of +45.89%/ +52.01% since inception (share class A/B).

○ Commentary: Performance contributions broad based

In January we reduced our net exposure from around 51% to 44% (or 57% to 50% incl. around 6% fixed income linked investments) by scaling out of positions which had 20-50% performance over the last two months. Although we saw strong performance contributions from many small cap positions which we haven't sold yet, we still hold a substantial part of our portfolio in positions with significant upside.

Our key positive contributors in January were Tipp24 (+72bp), Francotyp-Postalia (+60bp), Micronic Mydata (+58bp), Centrotec (+41bp), Kontron (+35bp), Drägerwerke (+34bp), VTG (+33bp), Austria Microsystems (+30bp) and Metro (+27bp). On the negative side we didn't have any material loss making positions.

We were able to limit our hedging costs by selectively closing and adding single short positions. Overall our single short/ hedging positions cost the Fund -37bp in January.

○ Discussion: Tipp24 AG – strong profit growth ahead

We had built our first position in Tipp24 (TIM GY: €46, MCap: €360m), a leading European lottery operator, below 6 Euro in January 2009 as we anticipated a strong profit growth after the change of the company's business model. Today Tipp24 has a net cash position of around 17 Euro per share and based on our numbers the company is still trading at a fairly low multiple of 3x EV/EBIT 2013e.

We more than doubled our position in Tipp24 at the beginning of the year after the German national lottery announced its plan to increase prices for the German lottery "6 out of 49" by 33%. As most investors and analysts seemed not to have returned from their Christmas holidays it took a while after the market started to factor in the price increase. And a lot of analysts are still reluctant to assume more than 15% revenue growth for the German lottery. As the pay-out ratio for players will stay unchanged and most players probably will continue to fill in the same number of boxes, this would boost Tipp24's revenues by > 30%. We cautiously assumed 20% revenue growth in our Tipp24 business model.

In addition to the price increases which will come effective in May 2013 we have various reasons to stay invested for at least another two years: (1) Tipp24 will move its HQ from Hamburg to UK and unwind its Swiss Stifting structure, allowing the company to pay out a high special dividend of 8-10 Euro plus high regular dividends of around 3-4 Euro per year, (2) a potential 50% profit boost in 2014/15 from lower operating costs (e.g. Eur 35m legal and consulting costs, compared with a group EBIT of Eur 50m, should come down significantly), (3) significant revenue growth potential via new gambling products such as an Internet casino offering and new markets such as the US/Canada, and (4) the strong profit/ cash flow growth and diminishing regulatory uncertainty should result in a re-rating of the stock.

Based on our numbers Tipp24 currently trades at a very low cash adjusted PER 2013e of 5x and a FCF yield > 20%, making it to one of our most attractive portfolio positions.

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o **Outlook: Great start to 2013 but stock picking essential this year**

As expected, we saw the traditional January rally this year again. Nevertheless, the rally was not very broad based and it seemed more of a rotation out of largecaps into lagging small and midcaps with the DAX +2.1% and MDAX +5.5%, SDAX +9.9%.

Moreover, as we had feared, after a few months of relative calm markets leading to extreme optimism and complacency, very few investors were prepared or hedged for a another political flare up in Spain and Italy with the Spanish PM under corruption charges and Berlusconi's resurgence ahead of elections later this month unsettling the markets. In the last few days most European markets have given up all and more of their January gains and are now negative for the year.

The US markets have fared better with S&P500 at multi-year highs and Dow Jones only 2% from its all time high. In the US there has been a very strong inflow of money into equity mutual funds and ETFs supporting the markets. With long-term interest rates finally on the climb both in the US and Europe we may have seen the end of the 30-year bull market in fixed income. Some people are already calling it the "Great Rotation" expecting significant re-allocation of capital from bonds into equities. So far this is not supported by money flow data but could keep equities underpinned if it were to happen despite a weak macro economic outlook.

During January we took significant profit on some of our positions as they appreciated substantially and thereby reduced our exposure to around 44%. We still see great potential for the stocks in our portfolio regardless of economic outlook. Nevertheless, we will be starting to hedge our exposure as we see increased turbulence ahead with the market at least taking a temporary pause in February/March. Option hedging is still cheap even though it exploded higher in the last week (VDAX is +30% since the January low but at 16% it is still historically very low).

Our key picks for 2013 remain Metro, Celesio, Francotyp-Postalia, Centrotec, Micronic Mydata, Elmos Semiconductor, Dialog Semiconductor and Tipp24.

The Tiger Value Fund Desk, 11th February 2013



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 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	High Water 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 Irbled, 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

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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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10 February 2013