Newsletter December 2013

TIGER FUND – TIGER VALUE FUND (FCP-SIF)

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FUND INFORMATION

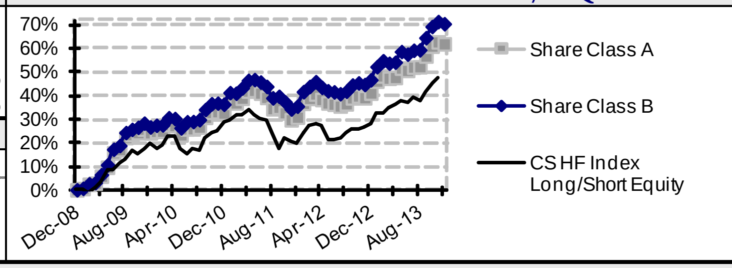
Launch date	12-Dec-08	Total Gross Exposure	119.9%	Total Long Exposure	91.7%
AuM	€ 30.3 m	Total Net Exposure	63.5%	Total Short Exposure	28.2%

	NAV*	WKN	ISIN	Bloomberg	Reuters
Share Class A	€ 1,616.16	A0Q5LH	LU0400329677	TIGERAA LX EQUITY	LP68023199
Share Class B	€ 1,701.27	A0RDZZ	LU0400329750	TIGERAB LX EQUITY	LP68023200

NET PERFORMANCE METRICS

	Return (since inception)	Return (p.a.)	Sharpe Ratio***	Volatility (p.a.)	Volatility (90 D)
Share Class A	61.6%	10.1%	1.58x	6.2%	4.2%
Share Class B	70.1%	11.2%	1.70x	6.4%	4.5%

FUND PERFORMANCE vs. CS HF INDEX L/S EQUITY **



POSITIONS

Number of Positions		Weightings (% of Gross)	Long	Short
Long Positions	42			
Short Positions	11	**Top 5**	28.9%	18.5%
Total No. Positions	53	**Top 10**	46.0%	23.0%

MONTHLY NET RETURN

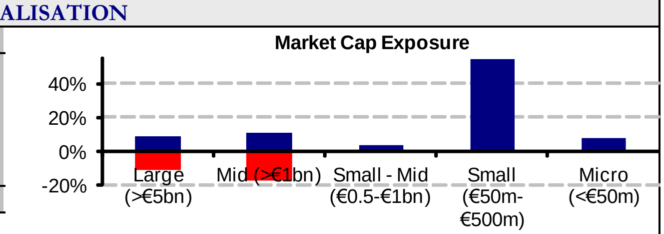
Share Class A	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008	-	-	-	-	-	-	-	-	-	-	-	0.003%	**0.003%**
2009	0.56%	1.73%	0.46%	2.87%	3.60%	5.51%	1.21%	4.35%	1.05%	0.62%	1.26%	-1.29%	**24.04%**
2010	0.50%	0.06%	2.22%	-0.32%	-3.08%	2.04%	0.05%	0.58%	3.25%	1.62%	0.18%	-0.41%	**6.75%**
2011	3.43%	-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													

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													

MARKET CAPITALISATION

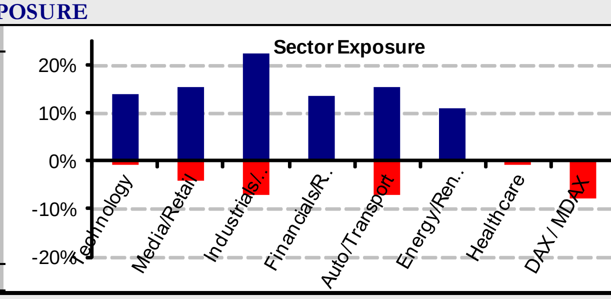
	Pos. No	%Gross	Net Exp	Long	Short
Large (>€5bn)	6	16.8%	-2.5%	8.8%	-11.3%
Mid (>€1bn)	9	23.6%	-5.4%	11.5%	-16.9%
Small - Mid (€0.5-€1bn)	4	3.5%	4.2%	4.2%	0.0%
Small (€50m-€500m)	26	49.7%	59.6%	59.6%	0.0%
Micro (<€50m)	8	6.4%	7.6%	7.6%	0.0%
Total	53	100.0%	63.5%	91.7%	-28.2%

Geographic focus: DACH region (> 90%)



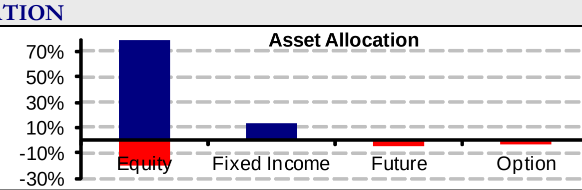
SECTOR EXPOSURE

	Pos. No	%Gross	Net Exp	Long	Short
Technology	10	12.4%	12.9%	13.9%	-0.9%
Media/Retail	9	16.3%	11.0%	15.3%	-4.3%
Industrials/Materials	10	24.8%	15.2%	22.5%	-7.3%
Financials/Real Estate	10	11.3%	13.5%	13.5%	0.0%
Auto/Transport	7	18.8%	8.6%	15.6%	-7.0%
Energy/Renewables	4	9.1%	10.9%	10.9%	0.0%
Healthcare	1	0.7%	-0.9%	0.0%	-0.9%
DAX / MDAX	2	6.6%	-7.9%	0.0%	-7.9%
Total	53	100.0%	63.5%	91.7%	-28.2%



ASSET ALLOCATION

	Pos. No	%Gross	Net Exp	Long	Short
Equity	39	82.7%	58.5%	78.8%	-20.3%
Fixed Income	12	10.7%	12.9%	12.9%	0.0%
Future	1	3.4%	-4.1%	0.0%	-4.1%
Option	1	3.2%	-3.8%	0.0%	-3.8%
Total	53	100.0%	63.5%	91.7%	-28.2%



*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 – December 2013

- ## Returns: -0.54% (class A)/-0.53% (class B)

In December, the Tiger Value Fund had a negative net return of 0.54% for share class A and 0.53% for share class B, making a cumulative positive net return of +14.73%/+16.15% in the year 2013 and +61.6%/+70.1% since inception in December 2008 (share class A/B).

- ## Commentary: 5 year track record of 10-11% p.a. with 6% volatility

In 2013 the Tiger Value Fund had with a cumulative net return of +14.73%/+16.15% the second best year since inception with a relatively low average net exposure of around 35.9% (around 48% incl. fixed income linked investments).

The Tiger Value Fund has produced a compound average net return of 10.1%/11.2% p.a. (class A/B) and has outperformed its peers such as the CS Hedge Fund Long/Short Equity Index (European Broad Index) on average by 2-3%-points per year since its inception in December 2008. Considering our low average net exposure of 31.4% and the lower volatility of the Fund vs. its peers we believe that our risk adjusted performance is quite exceptional. The Tiger Value Fund has had a low annualized volatility of 6.2/6.4% (class A/B) since inception compared with 9.7% for the average L/S equity hedge fund out of the CS HF L/S Equity Index (Source: European Broad Index on www.hedgeindex.com).

As value stock pickers and small & midcap experts we invested 41.8% of the NAV in small caps with market capitalizations below Eur 0.4bn (excl. 12.9% fixed income linked investments) and 37% in larger companies with a market of > Eur 0.4bn as of end December 2013. Despite our currently relatively high exposure to small caps we don't face any liquidity issues as we typically keep lower portfolio weights for positions with lower trading volumes. As a result we would require less than 10 trading days (at a third of the last three months daily average trading volume) to go 73% in cash.

- ## Highlights: performance contributors of the year 2013

In 2013 our key positive performance contributors were Francotyp-Postalia (315bp), Phoenix Solar (194bp), Bet-at-home (169bp), BMW PFD (151bp), Tipp24 (139bp), Centrotec (113bp), Elmos Semiconductor (101bp), Micronic Mydata (97bp), Stroer Home Media (96bp), DMG (78bp), Axel Springer (77bp), Fuchs Petrolub (76bp), BWIN (75bp) and RIB Software (57bp).

The share price of **Francotyp-Postalia**, a leading German franking machine producer, performed 68% in 2013 after the company reported sound quarterly results coupled with a bright outlook for the coming years. The stock is still trading at around 9x PER 2014 and 8x PER 2015 which doesn't include any contribution from the company's DE-Mail product which should add significantly to the company's earnings in future.

The **Phoenix Solar** share price rallied 348% after the company announced solar projects in the US, Saudi Arabia and Asia. We managed to increase our tiny Phoenix Solar position prior to the share price squeeze and booked 2/3rd of our profits in 2013. We are confident that the company's restructuring is well on track to produce positive earnings and cash flows in 2014 as the company has an extensive project pipeline. We kept a Fund position of 0.8% and are likely to scale in and increase our position again on share price weakness.

Despite **Bet-at-home**'s market cap of Eur 120m, the stock is under the radar screen of most institutional investors and is barely covered or promoted by brokers. On our EPS estimate which is 400% ahead of the consensus for FY 2014, bet-at-home trades on a very low cash adjusted PER 2014 of around 6x. In contrast to the consensus figures we have assumed approximately 30% lower marketing spending and a low tax rate of 16% (vs. 26%). As one of the largest European sports betting companies, Bet-at-home has a high operating leverage with significant impact on cash flows and EPS estimates. Despite Bet-at-home's rally of 53% in 2013 the stock should still have significant upside as the company will profit from continued strong growth in new markets such as Poland and the FIFA World Cup in 2014. Furthermore we expect Bet-at-home to report sound Q4 numbers and potential earnings upgrades from analysts.

In the beginning of 2013 we significantly increased our position in **Tipp24**, a leading European lottery operator, after the German national lottery announced its plan to increase prices for the German lottery "6 out of 49" by 33%. In addition to the price increases which came effective in May 2013 and the 29% share price performance in 2013, we still have various reasons to stay invested: (1) Tipp24 should pay out a special dividend of 6-10 Euro (15-21% yield!) plus a sustainable regular dividend of around 3-4 Euro p.a. (another 6-8% yield!), (2) a significant profit boost in 2014/15, (3) significant revenue growth potential via new markets such as the US/Canada, and (4) the strong cash flow growth and diminishing regulatory uncertainty should result in a re-rating of the stock.

We booked half of our profits in **Centrotec Sustainable** as the stock had performed more than 40%, in 2013 after the Germany's upper house of parliament ("Bundesrat") had passed the second directive on energy saving. With its brand "WOLF", Centrotec is among the top 4 players for central heating boilers in Germany and will profit significantly from the new directive which will require the replacement of around 5.5m central heating boilers.

On the negative side our positions in K+S (-71bp), Dialog Semiconductors (-43bp), Alno (-40bp) and Süss Microtec (-24bp) burdened the Fund performance. We cut our losses at K+S, a German potash and salt producer, when our stop loss was triggered and the stock price collapsed after the potash cartel was terminated in summer 2013. While we also booked our losses at Alno and Dialog Semiconductor we continued to build our position in Süss Microtec were we expect positive catalysts in 2014. In addition our hedging and single short positions burdened the Fund performance by 389bp and our MDAX future as well as DAX Put spread hedge cost the Fund another 55bp in 2013.

o Outlook: Stock picking finally paying off in 2014?

As expected we saw a strong rebound in financial markets towards the end of December in line with historical seasonal patterns despite the FED announcing its first step to reducing quantitative easing (aka tapering). Nevertheless, the rally was very selective and not very broad based and hence we could not fully recover all of the losses incurred in the early part of December. Our investment strategy going into 2014 remains the same, we are positioned selectively in stocks which we believe can perform well regardless of overall economic climate.

In our December newsletter one year ago we proclaimed that 2013 was unlikely to be as strong as 2012 as it would require significant earnings growth to drive further market advances and we did not see any reason to expect earnings to grow in 2013. While we were right on the earnings side of the equation (earnings are expected to fall around -4% in 2013 after initially forecast to rise +7% in the beginning of the 2013), we failed to anticipate another +20% PE re-rating in the market. The 2013 PE multiple for the broad European index Stoxx600 now stands at 15.7x which is now higher than at the peak in 2007!

So with the risk of looking foolish again, we will yet again proclaim that this year it's even more unlikely that we will have a third strong year unless earnings improve significantly. And just like at the beginning of

2013 we also do not see any reason to expect earnings to improve in 2014 whereas consensus expects +15% earnings growth for Stoxx600.

And in the case that earnings do rise the expected +15%, it would be reasonable to expect the easy monetary policies to be tightened (as we recently saw in the US) and interest rates to start to rise. Interest rates are already on the rise, the German 10-year bund is up +75bp from its 2013 low to 1.9% and the US 10-year treasury is +140bp from its 2013 low to 3%. So even if we do finally see a recovery in earnings it's not unlikely that the market will actually de-rate and consolidate the last 2 years solid gains yielding investors little overall gains in 2014.

Tactically, we are starting the year at our highest net exposure since January 2013 but we will be looking to reduce this during the month as the rally matures and our small & mid cap ideas start to perform. We feel very comfortable with the stocks in our portfolio which offer substantial valuation upside and significant earnings improvement potential even in a weak economic environment as we continue to focus on catalyst driven ideas with low correlation to the overall equity market. Our top picks for 2014 include DIC Asset, Tipp24, Francotyp-Postalia, PNE Wind (shares and bonds), COR FJA, Elmos Semiconductor, PVA TePla, bet-at-home and First Sensor.

The Tiger Value Fund Desk, 6th January 2014

Matthias Rutsch

Marc Schädler

Peter Irblad

Newsletter December 2013
TIGER FUND – TIGER VALUE FUND (FCP-SIF)

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 20-30 long investments with a target net long exposure of around 50%. The geographic focus is likely to be Germany, Switzerland and Austria.

Fund Information	
Currency	EUR
Legal Entity	FCP-SIF
Fund Domicile	Luxembourg
Fund Structure	Open-ended multi-class
Style mandate	Long/Short and Active Value
Investment Minimum	
Share Class A	€ 125,000
Share Class B	€ 5,000,000
Sub. Frequency	Monthly
Red. Frequency	Monthly
Redemption Notice	
Share Class A	2-3 months
Share Class B	5-6 months

Fee Structure and Risk Management	
Admin/Custodian Fee	Up to 0.49%
Advisory (Mgmt) Fee	
Share Class A	2.0%
Share Class B	1.5%
Performance Fee	
Share Class A	20%
Share Class B	15%
Hurdle Rate	None
High Water Mark	Yes
Eligible Investors	See Issue Document
Leverage	Maximum 200% of NAV
Fund Benchmark	CS HF Index L/S Equity

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

Investment Manager	Alceda Fund Management SA, Phone: +352 248 329-1
Investment Advisor	Tiger Asset Management GmbH
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	Peter Irblad, Phone: +41 41 500 33-45
	Marc Schädler, Phone: +49 40 226 32 35-11
Sub-Advisor	PHZ Privat- und Handelsbank Zürich AG
Contact	Phone: +41 43 443 71-00
Prime Broker/Custodian	SEB AB / SEB SA
Administrator	European Fund Administration SA
Auditor	PriceWaterhouseCoopers

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Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. The price, value of and income from any of the securities or financial instruments held by the Fund can rise and fall as well. Investments held by the Fund may have a high level of volatility. High volatility investments may experience sudden and large falls in their value causing losses when that investment is realized. Income yields from investments may fluctuate and, in consequence, initial capital paid to make the investment may be used as part of that income yield. Some investments may not be readily realizable and it may be difficult to sell or realize those investments. Similarly it may prove difficult for you to obtain reliable information about the value, or risks, to which such an investment is exposed.

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.

06 January 2014