

Newsletter August 2012

TIGER FUND - Tiger Value Fund (FCP-SIF)

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Fund Information													
Launch date	12. Dez 08			Total Gross Exposure	74.9%			Total Long Exposure	48.9%				
AuM	€ 24.1 m			Total Net Exposure	23.0%			Total Short Exposure	26.0%				
	NAV*			WKN		ISIN		Bloomberg			Reuters		
Share Class A	€ 1,362.91			A0Q5LH		LU0400329677		TIGERAA LX EQUITY			LP68023199		
Share Class B	€ 1,416.09			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	36.29%	4.29%	1.26x										
Share Class B	41.61%	4.64%	1.43x										
Positions													
Number of Positions		Weightings (% of Gross)											
Long Positions	31	Long	Short										
Short Positions	16	Top 5	21.6%										
Total No. Positions	47	Top 10	29.2%										
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%					4.29%
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%					4.64%
Market Capitalisation													
	Pos. No	%Gross	Net Exp	Long	Short								
Large (>€5bn)	15	42.7%	-12.7%	9.7%	-22.3%								
Mid (>€1bn)	4	4.2%	-2.2%	0.5%	-2.7%								
Small - Mid (€500m-€1bn)	4	9.8%	5.4%	6.4%	-1.0%								
Small (€50m-€500m)	17	31.5%	23.6%	23.6%	0.0%								
Micro (<€50m)	7	11.8%	8.8%	8.8%	0.0%								
Total	47	100.0%	23.0%	48.9%	-26.0%								
Geographic focus: DACH region (> 90%)													
Sector Exposure													
	Pos. No	%Gross	Net Exp	Long	Short								
IT	9	15.6%	7.5%	9.6%	-2.1%								
Media/Retail	5	8.1%	-1.9%	2.1%	-4.0%								
Industrials/Materials	13	43.3%	13.3%	22.9%	-9.6%								
Financials/Real Estate	2	5.0%	3.7%	3.7%	0.0%								
Auto/Transport	10	17.6%	0.0%	6.6%	-6.6%								
Energy/Renewables	2	1.8%	1.3%	1.3%	0.0%								
Healthcare	4	3.9%	2.5%	2.7%	-0.2%								
DAX / MDAX	2	4.8%	-3.6%	0.0%	-3.6%								
Total	47	100.0%	23.0%	48.9%	-26.0%								
Asset Allocation													
	Pos. No	%Gross	Net Exp	Long	Short								
Equity	41	87.3%	20.6%	43.0%	-22.4%								
Fixed Income	4	8.0%	6.0%	6.0%	0.0%								
Future	1	1.0%	-0.7%	0.0%	-0.7%								
Option	1	3.8%	-2.9%	0.0%	-2.9%								
Total	47	100.0%	23.0%	48.9%	-26.0%								
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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 – August 2012

○ **Returns: +0.69% (class A)/+0.73% (class B)**

In August the Tiger Value Fund had a positive net return of +0.69% for share class A and +0.73% for share class B, making a cumulative net return of +4.29%/ +4.64% in the year-to-date and +36.29%/ +41.61% since inception (share class A/B).

○ **Commentary: Shorts profitable despite ongoing liquidity rally**

In August we slightly increased our adjusted net exposure from around 10% to 17% (or 23% incl. 6% fixed income linked investments). While many large caps and defensive stocks trade at rich valuations, we still see a lot of upside potential in our value stocks and small caps and continue to find a lot of great buy and sell ideas.

Our key positive contributors in August were Jungheinrich, VTG, Beta Systems, Elmos, Volta Finance and Vestas adding +104bp to the Fund's performance. We decided to swap our Vestas stocks into bonds as we feared that the company would announce a capital increase in the near future which might hurt the stock but would reduce the risk for an investment in Vestas bonds significantly. In August the company announced that they were in discussion with Mitsubishi regarding a strategic cooperation but didn't give any further details on a potential investment in Vestas. Beta Systems, a software company with high recurring revenue share, is one of our latest investment where we participated in a capital increase. On our numbers we bought the Beta Systems position on 1x normalized EBITDA 2013 a ridiculous low valuation for a licence business with > 80% recurring revenues and > 30% FCF Yield.

On the negative side, Francotyp Postalia and BWIN cost the Fund -68bp. While Francotyp Postalia disappointed investors with muted Q2 results due to a delay of the new production site, in BWIN investors feared that German regulation will have a negative impact on BWIN's profitability in Germany which represent about 30% of profits. During the earnings call of Francotyp Postalia the management indicated that the company's current EPS run rate is around 0.14 Euro per quarter implying a PER 2013 of 4x, quite undemanding valuation for a business with > 75% recurring revenues. BWIN actually surprised the market positively with its strong H1 result, but concerns over the poker and casino business particularly in Germany resulted in a lot of volatility in the stock. We expect positive catalysts for BWIN in H2 and therefore continued to accumulate shares.

Despite the ongoing liquidity rally we were able to book profits on a few single shorts post earnings disappointments and muted outlooks. Overall our single shorts contributed positively adding +59bps to the Fund's performance. Our DAX future and option hedge cost the Fund -8bp.

○ **Discussion: Kronos AG – Market leader with bright growth prospects**

Kronos AG (KRN: €40, MCap: €1.2bn), the global no. 1 player in process engineering for the beverage industry, is one of our recent value investments. KRN has underperformed the MDAX by 30% in the last 12 months while at the same time operations have been strengthening, e.g. via the introduction of a modular assembly system in H1 which should reduce working capital and improve efficiency. The key growth drivers for KRN are: (a) strong demand for packaged beverage consumption in emerging markets, (b) higher use of PET as a packaging material and (c) new product launches. With a potential EBIT margin improvement to 7% mid-term (2007 level), the company trades on a cash adjusted normalized PER of 8x significantly below its long term average of >14x. A fairly low valuations for a

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high quality company with > 65% recurring revenues and around +8% annual growth for the coming years. In addition we would expect broker upgrades and continued insider buying.

o **Outlook: The ECB and Federal Reserve goes all-in**

The markets focus during all of August was squarely on the ECB and the FED. After some initial excitement in the first few days of the month, the equity market spent most of the month just waiting for further news regarding the ECB's new bond purchase program and the FED's latest quantitative easing (QE) program. The ECB and the FED have both in early September announced details of these anticipated monetary policies resulting in another leg higher in the equity markets. Clearly we have been too cautious in our equity market outlook as we had not expected such a strong monetary policy response at this point. The fact that the FED launched its latest QE program while actually raising its GDP estimates for 2013 and 2014 at the same time is pretty astonishing and demonstrates the extreme willingness by the FED to continue to support the markets.

We are still very concerned regarding the near term earnings outlook for most companies but clearly the market seems willing to look through this weakness on the hope that the removal of the tail risk by the FED and ECB will result in a better economic outlook for 2013. We have therefore adopted a less cautious positioning of the fund with the net exposure having been raised to 23% (or 17% excluding fixed income investments) at the end of August and 32% (26%) currently. Nevertheless, we continue to pursue undervalued investment ideas that have company specific catalysts that have low correlation to the markets and can perform in most economic and market environment (see discussion regarding Kronos).

The Tiger Value Fund Desk, 14th September 2012.



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	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 Irlblad, Phone: +41 (0)41 500 33 45 Marc Schädler, Phone: +49 (0)40 226 32 35 11
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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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14 September 2012