

# Newsletter March 2012

## TIGER FUND - Tiger Value Fund (FCP-SIF)

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#### Fund Information

Launch date	12-Dec-08	Total Gross Exposure	66.6%	Total Long Exposure	43.6%
AuM	€ 22,809,114	Total Net Exposure	20.6%	Total Short Exposure	23.0%
NAV*		WKN	ISIN	Bloomberg	Reuters
Share Class A	€ 1,404.70	A0Q5LH	LU0400329677	TIGERAA LX EQUITY	LP68023199
Share Class B	€ 1,456.46	AORDZZ	LU0400329750	TIGERAB LX EQUITY	LP68023200

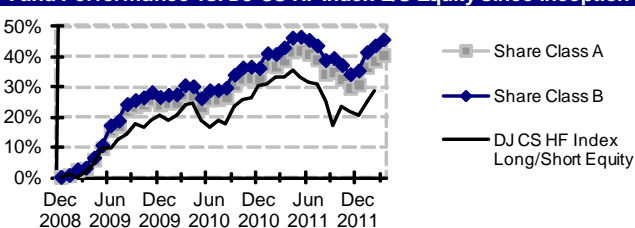
#### Net Performance

	Since inception	YTD	Sharpe Ratio**
Share Class A	40.47%	7.49%	1.39x
Share Class B	45.65%	7.62%	1.53x

#### Positions

Number of Positions	Weightings (% of Gross)	Long	Short
Long Positions	26		
Short Positions	14	Top 5	36.1%
Total No. Positions	40	Top 10	50.0%

#### Fund Performance vs. DJ CS HF Index L/S Equity since inception



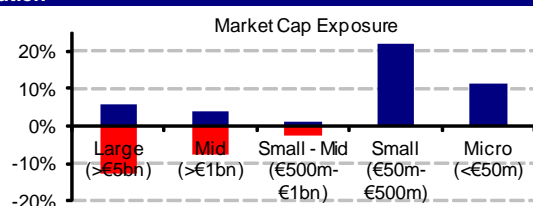
#### Monthly Net Return

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%										7.49%
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%										7.62%

#### Market Capitalisation

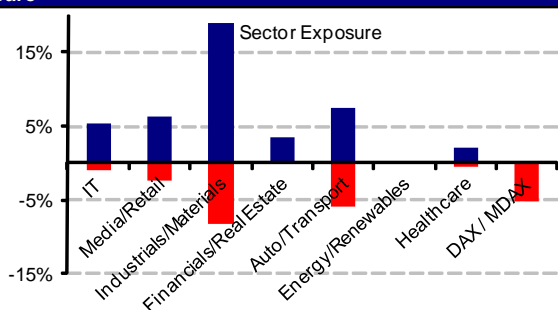
	Pos. No	%Gross	Net Exp	Long	Short
Large (>€5bn)	7	27.2%	-7.0%	5.6%	-12.6%
Mid (>€1bn)	10	17.3%	-3.9%	3.8%	-7.7%
Small - Mid (€500m-€1bn)	3	5.9%	-1.6%	1.2%	-2.7%
Small (€50m-€500m)	13	32.7%	21.8%	21.8%	0.0%
Micro (<€50m)	7	17.0%	11.3%	11.3%	0.0%
Total	40	100.0%	20.6%	43.6%	-23.0%

Geographic focus: DACH region ( > 90%)



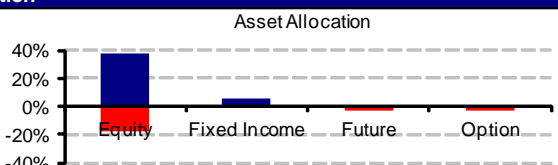
#### Sector Exposure

	Pos. No	%Gross	Net Exp	Long	Short
IT	8	9.5%	4.4%	5.4%	-1.0%
Media/Retail	6	12.8%	3.8%	6.2%	-2.3%
Industrials/Materials	14	40.9%	10.8%	19.0%	-8.2%
Financials/Real Estate	2	5.1%	3.4%	3.4%	0.0%
Auto/Transport	5	20.1%	1.7%	7.5%	-5.8%
Energy/Renewables					
Healthcare	3	3.9%	1.5%	2.1%	-0.5%
DAX / MDAX	2	7.7%	-5.1%	0.0%	-5.1%
Total	40	100.0%	20.6%	43.6%	-23.0%



#### Asset Allocation

	Pos. No	%Gross	Net Exp	Long	Short
Equity	35	83.5%	19.8%	37.7%	-17.9%
Fixed Income	3	8.8%	5.9%	5.9%	0.0%
Future	1	3.5%	-2.3%	0.0%	-2.3%
Option	1	4.2%	-2.8%	0.0%	-2.8%
Total	40	100.0%	20.6%	43.6%	-23.0%



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%

### Tiger Value Fund – March 2012

#### ○ **Returns: +1.35% (class A)/ +1.39% (class B)**

In March the Tiger Value Fund had a positive net return of +1.35% for share class A and +1.39% for share class B, making a cumulative net return of +7.49%/ +7.62% in the year-to-date and +40.47%/ +45.65% since inception (share class A/B).

#### ○ **Commentary: Low adjusted net exposure of 15%**

In March we kept our low net exposure at 20.6% or at around 15% beta adjusted. If we adjust our net exposure for our fixed income linked investments the adjusted net exposures is even below 15% as of end of March.

Our recent highlighted investments in Francotyp-Postalia and bet-at-home have been our largest contributors adding +87bp to the Fund's March performance. On the negative side there haven't been any significant loss making positions.

Despite higher equity markets our single shorts contributed nicely with +90bp while our DAX and MDAX hedges cost the fund -9bp.

#### ○ **Discussion: Rheinmetall - unlocking value via Automotive divestment**

Our investment in Rheinmetall (RHM GY, €44), a leading supplier of defense and automotive technology, still has nearly 50% upside to last year's high and even more to our intrinsic value target. Recently many brokers turned positive as the company is now likely to proceed with the divestment of its automotive division in May/June 2012. We believe RHM will aim for an IPO but potentially may also decide to execute a spin-off or a sale of the Automotive division to a strategic buyer. All of these transactions would create substantial shareholder value in our opinion.

Our sum-of-the-parts valuation indicates a value of around €29 per RHM share for the automotive business, which implies a value of €15 per share of the defense division at the current share price. Given the stable cash flows of the defense business, strong order backlog (with 5-10 years visibility), and strong market position the implied valuation of the defense business looks very undemanding.

Even without the potential automotive divestment, RHM is trading at 8x PER 2012, 4x EV/EBITDA 2012 and 1.1x Price-to-Book, around 30% below its long term trading multiples. In contrast to the market we believe that RHM would be a very vulnerable takeover target post the automotive business divestment. Nevertheless the potential buyer would have to get clearance from German authorities to execute the takeover.

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### o **Outlook: European recession concerns are coming**

As we have discussed in the previous months' newsletters we have been concerned that the European equity market has continued to creep higher despite increasing evidence that Europe is still very much in recession. While March was still a positive month for most European equity markets, the returns were more modest than previous months and a few market even declined (Spain -5%). So far in March, concerns about the health of the European economy is back especially in Spain which is now again having trouble financing its deficits after the boost from the LTRO injection is starting to fade. Also in the US, minutes from the last FED meeting revealed that they are not imminently planning to provide more monetary easing which has also contributed to a much weaker equity market in the first few days of March. The equity markets' recent concerns about weaker economic data and fading impact from monetary easing have been one of the main reasons for our defensive portfolio positioning.

In our opinion, the increased market volatility will continue in the near term. In addition to the generally weaker economic data, we will have elections (France, Germany) and referendums (Ireland) coming up in Europe over the next few months potentially disrupting the relative calm we have experienced lately. Moreover, we are now entering a seasonally weaker period for the financial markets (from May onwards).

The funds net exposure has been kept unchanged at around 20% during March as we have a few selective catalyst driven investments that we expect to perform strongly in the near term. We intend to keep the Fund's exposure at low levels as well as focus on mid caps with sufficient trading volumes to maintain flexibility. We continue to remain vigilant to the underlying economic risks and the markets' general complacency.

We are delighted to welcome our new investors which lifted the Tiger Value Fund assets by Eur 1.5m to Eur 24.3m in April. Our next subscription deadline for the Tiger Value Fund is 23 April 2012, 5pm.

***The Tiger Value Fund Desk, 5<sup>th</sup> April 2012.***



**Matthias Rutsch**



**Marc Schädler**



**Peter Irblad**

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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*  
*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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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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05 April 2012