

Newsletter April 2020

AC TIGER FUND – TIGER VALUE FUND (FCP-SIF)

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Launch date	12 Dec 2008	Total Gross Exposure	95.1%	Total Long Exposure	56.4%	Long Equity Exposure	55.8%	AuM	\$ 57m / € 53m	Total Net Exposure	17.8%	Total Short Exposure	38.7%	Net Equity Exposure	17.1%
Share Class A	NAV* € 2,063.89	ISIN LU0400329677	Bloomberg TIGERAA LX EQUITY	Share Class U	NAV* \$ 971.52	ISIN LU1647855136	Bloomberg TIGERVU LX EQUITY								
Share Class B	€ 2,285.97	LU0400329750	TIGERAB LX EQUITY												
NET PERFORMANCE METRICS						FUND PERFORMANCE vs. CS HF INDEX L/S EQUITY **									
	Return (since inception)	Return (p.a.)	Sharpe Ratio***	Volatility (p.a.)											
Share Class A	106.4%	6.6%	0.88x	7.7%											
Share Class B	128.6%	7.6%	0.99x	7.9%											
POSITIONS															
Positions (excl. Options/FI)			Weightings (% of Gross)												
Longs	23	Long		Short											
Shorts	20	Top 5	37.9%	23.6%											
Positions	43	Top 10	49.5%	31.1%											
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	1.88%	2.56%	0.63%	2.61%	0.63%	-0.34%	-2.19%	-0.42%	-1.20%	-1.32%	1.83%	1.14%	5.82%		
2015	2.07%	3.13%	4.23%	0.99%	1.54%	-1.60%	1.41%	-1.20%	-2.10%	3.89%	1.45%	1.60%	16.29%		
2016	-3.91%	0.21%	4.43%	1.40%	-0.99%	-1.85%	0.91%	1.05%	0.41%	0.22%	0.15%	2.70%	4.58%		
2017	1.96%	1.31%	3.33%	0.22%	2.12%	0.97%	-1.07%	-1.23%	-0.77%	0.45%	0.39%	0.41%	8.30%		
2018	0.02%	-0.11%	-2.45%	0.09%	-0.17%	-3.99%	2.20%	-2.14%	-1.58%	-3.14%	-2.73%	-7.43%	-19.73%		
2019	4.37%	0.23%	-0.91%	1.44%	-4.53%	1.09%	2.81%	1.72%	0.49%	1.98%	3.69%	2.92%	16.05%		
2020	2.02%	-4.01%	-6.80%	7.77%								-1.64%			
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	2.04%	2.75%	0.71%	2.81%	0.70%	-0.32%	-2.15%	-0.37%	-1.16%	-1.28%	1.87%	1.19%	6.84%		
2015	2.09%	3.33%	4.55%	1.09%	1.69%	-1.68%	1.53%	-1.24%	-2.06%	4.03%	1.58%	1.74%	17.69%		
2016	-3.87%	0.26%	4.49%	1.52%	-1.01%	-1.84%	0.95%	1.10%	0.46%	0.27%	0.20%	2.91%	5.30%		
2017	2.13%	1.43%	3.58%	0.27%	2.30%	1.07%	-1.03%	-1.19%	-0.73%	0.50%	0.43%	0.45%	9.47%		
2018	0.07%	-0.07%	-2.41%	0.13%	-0.13%	-3.95%	2.25%	-2.10%	-1.54%	-3.09%	-2.69%	-7.40%	-19.33%		
2019	4.41%	0.26%	-0.87%	1.48%	-4.49%	1.13%	2.86%	1.76%	0.53%	2.03%	3.73%	2.96%	16.64%		
2020	2.06%	-3.97%	-6.76%	7.81%								-1.48%			
Share Class U	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		
2017	-	-	-	-	-	-	-	-0.99%	-0.91%	0.62%	0.67%	0.60%	-0.02%		
2018	0.24%	-0.04%	-2.21%	0.24%	0.20%	-3.78%	2.41%	-1.91%	-1.23%	-2.86%	-2.44%	-7.22%	-17.39%		
2019	4.34%	0.43%	-0.65%	1.69%	-4.27%	1.31%	3.06%	2.07%	0.73%	2.27%	3.38%	3.18%	18.68%		
2020	2.19%	-3.87%	-6.46%	7.87%								-0.88%			
MARKET CAP EXPOSURE						ASSET ALLOCATION									
SECTOR EXPOSURE															
DACH Region > 80% (country of origin); DACH-linked Region > 90% (country listing)															
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 – April 2020

o **Returns: +7.77% (class A)/+7.81% (class B)/+7.87% (class U)**

In April, the Tiger Value Fund (“TVF”) had a positive net return of +7.77% for share class A and +7.81% for share class B, making a cumulative net return of -1.64%/-1.48% for share class A and B for the year-to-date and +106.4%/+128.6% since inception (share class A/B). Our FX hedged USD share class U had a net return of +7.87% in April, making a cumulative net return of -0.88% for the year-to-date.

o **Commentary: Good stock picking - low net exposure**

We are delighted to announce that we had our best month since inception with a net return of +7.77%, +7.81%, +7.87% (share Class A, B, U). This is even more remarkable as we achieved our positive result with a low average net equity exposure of just 25.4%. While we started April with a net equity exposure of 28.5% the exposure was reduced to 17.1% by adding single shorts, index hedges and profit taking in long positions. The good April performance was mainly attributed to our outstanding long book.

Our top attributors were Bayer (+173bp), Va-q-tec (+73bp), AMS (+339bp) and Zeal Network (+233bp). Zeal Network (EUR 0.6bn MCAP), the largest German online lottery broker, is a key beneficiary of COVID-19 as most people stay home or are not willing to queue at the newspaper stand to hand in their lottery tickets. We wouldn't be surprised if the low German online penetration of 14% (vs. e.g. 41% in Sweden and 26% in UK) reaches 20% in 2020 and that the company increases its guidance in 2020.

We re-entered AMS (CHF 3.5bn MCAP) close to its all-time lows in early April at around 5x PER 2021e (our numbers incl. Osram) and 0.6x Price-to-Book. Beside its depressed market valuation after a poorly executed capital increase and rump placement, we welcomed the buying opportunity as we are very positive on AMS mid- and long-term perspectives in 3D sensing. Especially since we expected positive news flow at its Q1 results and positive news on the AMS COVID-19 sensor (<https://www.gsaglobal.org/ams-ag-health-sensing-contributing-to-covid-19/>) short- to mid-term. As many analysts and investors were still overly negative, the stock rallied 25% after its Q1 results. On an intraday level the share price even rallied 85% from our first re-entry in April, only three weeks earlier. We booked 43% of our AMS profits but may increase our position at lower share price levels.

On the negative side our DAX Index hedges burdened the performance by 61bp and our single shorts by 220bp. The high hedging costs were caused by the good market performance of e.g. +9.3% and +6.5% for the DAX and Stoxx Europe 600 respectively and our high short exposure which we increased from 17.44% to 38.70% in April. We will continue to additionally hedge via DAX Future, Short DAX Calls and Long DAX Puts to be flexible to adjust our hedges in volatile markets. In our single short book we are mainly exposed to the hospitality, advertising and financial sector. The AMS exposure was hedged via industrial and technology stocks and our online retailers were hedged with stationary retail. Currently, the TVF has very limited automotive and capital goods exposure.

o **Outlook: The end of the beginning**

“Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning.” - Winston Churchill said that in 1942, halfway through World War II. It is a fitting analogy as it seems financial market have already claimed victory over COVID-19 after a +36.1% rally in the DAX reducing the top-to-bottom decline to -18.6% from a low of -40.2%. The US technology and growth heavy NASDAQ 100 even briefly trade up YTD (+3.3%) at the recovery high last Wednesday.

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While the market was heavily oversold at the end of March and there has been a definite improvement in the containment of COVID-19, a return to any normality is still very far away. In Europe, economies are starting to re-open, but it will be slow and gradual. Many businesses and jobs will have been lost permanently while others will return but only gradually.

The German government now expects German GDP to contract -6.1% in 2020 and the IMF expects Global GDP to decline -3.0% and -6.1% for Advanced Economies. While most forecasters expect a significant rebound in 2021, economic growth in Advanced Economies are not expected to surpass the 2019 level of output in until 2022. And the 2021 recovery is also contingent on that we avoid a second wave of COVID-19 infections.

Empirical evidence outside of China speak of a rapid spike in infections followed by a gradual decline in infections, not a quick reversal. And in countries where a lock down has not been uniformly implemented it seems to be followed by a plateau, like the US. Therefore any economic recovery is likely to be gradual with intermittent regional shocks as countries are yet again forced into lock down as the disease flares up again.

Consequently, we view the recent equity market rally as a selling opportunity as implied market expectations seems to be that the recovery will be V-shaped which seems inconsistent with evidence so far. And while there is some hope for a treatment (Remdesivir et al), the impact on mortality rates is too insignificant to make a difference. In addition, a vaccine is still quite some time away and seems to be relevant only for a return of economic activity in 2022 which is already the baseline scenario for most investors and economist.

The TVF is not positioned for any specific recovery scenario whether it's V, U or L-shaped. We continue to search for, and invest in stocks that can thrive in any scenario with idiosyncratic revenue and profit drivers and with identifiable catalysts. As evidenced by the TVF's performance in April this has already started to pay off matching or beating the broad European equity indices despite a net equity exposure of 25.4% in April.

Tactically we ended April with one of our lowest net equity exposures ever (17.1%) as we see a significant risk of a near term market set back as investors come to terms with an uninspiring bounce back in economic activity in May and readjust their expectations of a V-shaped recovery. We used the rally to re-enter shorts in several economically impaired stocks and sectors that will face a long and uncertain road to recovery while also taking profit in some of exceptionally strong performers in our long book.

As we mentioned in last month's newsletter we are likely to remain in a 20-50% net exposure range for the foreseeable future. Our current 17.1% exposure is consistent with that as broad equity indices are now at the top end of our expected trading range. We will continue to use the extreme volatility to trade opportunistically as the TVF's investment strategy is optimally suited for this new trading environment.

The Tiger Value Fund Desk, 1st May 2020

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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 7-10% p.a. with strong focus on capital preservation.

Investment Strategy

The Investment Advisor is specialized on a fundamental European long/short equity strategy. The investment philosophy is based on seeking out undervalued value creating companies where we see upcoming catalysts and/or value creation measures that could improve the intrinsic value of the company and drive shareholder returns. At the same time, we seek to profit from identifying overvalued value destroying companies where the intrinsic value is continuously being eroded. For each position we perform a detailed analysis including a 360-degree research process and 10-point scoring system (further details are available in our DDQ of investor presentation). 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 (excl. residual positions, options and fixed income linked positions) with a target net long exposure of around 20-60%. 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/U	2.00%
Fund Structure	Open-ended multi-class	Share Class B	1.50%
Style mandate	Long/Short and Active Value	Performance Fee	
Investment Minimum		Share Class A/U	20%
Share Class A/U	€ 125,000 /US-\$ 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/U	5 business days*	Fund Benchmark	CS HF Index L/S Equity
Share Class B	6 months		

*) The redemption notice has to be faxed to the Administrator five business days prior to month end (cut-off 5pm). Therefore, the redemption term is monthly with a notice period of 5 days. Please see the offering document for further information.

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

Management Company	Alceda Fund Management SA
Investment Advisor	Tiger Asset Management AG
Swiss Representative	ACOLIN Fund Services AG
Prime Broker/Custodian	SEB AB / SEB SA
Administrator	European Fund Administration SA
Auditor	Price Waterhouse Coopers

Sales documents may not be forwarded to investors other than those who meet the 'experienced investor' requirements under the Law of 2007 as amended from time to time.

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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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