

Newsletter January 2017

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

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Launch date	12-Dec-08	Total Gross Exposure	89.0%	Total Long Exposure	67.8%								
AuM	€ 58 m	Total Net Exposure	46.6%	Total Short Exposure	21.2%								
NAV*		WKN	ISIN	Bloomberg	Reuters								
Share Class A	€ 2,120.85	A0Q5LH	LU0400329677	TIGERAA LX EQUITY	LP68023199								
Share Class B	€ 2,300.51	A0RDZZ	LU0400329750	TIGERAB LX EQUITY	LP68023200								
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	112.1%	9.7%	1.60x	6.3%									
Share Class B	130.1%	10.9%	1.71x	6.5%									
POSITIONS													
Number of Positions		Weightings (% of Gross)											
Long Positions	33	Long	Short										
Short Positions	25	Top 5	9.9%										
Total No. Positions	58	Top 10	15.7%										
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%												1.96%
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%												2.13%
MARKET CAPITALISATION													
	Pos. No	%Gross	Net Exp	Long	Short								
Large (>€5bn)	11	12.0%	-10.7%	0.0%	-10.7%								
Mid (>€1bn)	16	26.8%	8.0%	15.9%	-7.9%								
Small - Mid (€0.5-€1bn)	6	14.4%	9.5%	11.2%	-1.6%								
Small (€50m-€500m)	21	44.7%	37.8%	38.8%	-1.0%								
Micro (<€50m)	4	2.1%	1.9%	1.9%	0.0%								
Total	58	100.0%	46.6%	67.8%	-21.2%								
DACH region > 90%													
SECTOR EXPOSURE													
	Pos. No	%Gross	Net Exp	Long	Short								
Technology	10	14.9%	7.1%	10.2%	-3.1%								
Media/Retail	13	21.9%	8.0%	13.7%	-5.8%								
Industrials/Materials	15	24.0%	11.8%	16.6%	-4.8%								
Real Estate/Financials	5	9.7%	6.6%	7.6%	-1.0%								
Auto/Transport	6	11.5%	0.8%	5.5%	-4.7%								
Energy/Renewables	8	17.3%	12.9%	14.1%	-1.2%								
Healthcare													
DAX / MDAX	1	0.8%	-0.7%	0.0%	-0.7%								
Total	58	100.0%	46.6%	67.8%	-21.2%								
ASSET ALLOCATION													
	Pos. No	%Gross	Net Exp	Long	Short								
Equity	51	92.5%	42.7%	62.5%	-19.8%								
Fixed Income	3	5.9%	5.3%	5.3%	0.0%								
Future													
Option	4	1.6%	-1.4%	0.0%	-1.4%								
Total	58	100.0%	46.6%	67.8%	-21.2%								

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 – January 2017

○ **Returns: +1.96% (class A)/+2.13% (class B)**

In January, the Tiger Value Fund (“TVF”) had a positive net return of +1.96% for share class A and +2.13% for share class B and +112.1%/+130.1% since inception (share class A/B).

○ **Commentary: Good start – stock picking key success factor**

The Tiger Value Fund had a good start with 1.96% and 2.13% performance outperforming once again most its peers as some of our investments which we have made over the last quarter rebounded from very attractive valuation levels. We reduced our net adjusted exposure from 44.7% to 41.3% (excl. 5.3% fixed income linked investments) mainly by reducing and selling selective long positions.

In January, our most significant attributors were our top picks MLP (+69bp), Bauer (+64bp), Freenet (+21bp) and ElringKlinger (+20bp) as well as FACC (+23bp) and Singulus (+102bp). Singulus was our best attributor after the recent capital increase which gave us a very attractive re-entry opportunity. The stock was up more than 75% in January after the Management Team was on a roadshow in Frankfurt. We booked some profits but see more upside for the coming months as the stock is still trading on a significant discount to its solar peers.

MLP (MLP GY), a German financial services business, is one of our core positions and top pick for 2017. We see significant upside at MLP and regard the analyst consensus estimates as too low. Various analysts haven't updated their estimates and recommendations for a while and still have to factor in the already communicated Eur 15m restructuring benefits and significant economies of scale at MLP's non-life insurance business DOMCURA. We believe that MLP is a very attractive investment case with a high score at our in-house 10-Point Scoring System.

On the negative side the most significant detractor was Francotyp-Postalia (-48bp) which was one of our best performers in 2016. Although we have a lower portfolio weight on our Francotyp position compared to last year we still see significant upside over the next three years. Despite continued market share gains in its franking machine business with > 80% recurring revenues Francotyp is just trading on 2.3x management's EBITDA mid-term guidance.

In January, our single short book (incl. single Put options) and index hedges detracted our performance by -45bp and -11bp respectively. We have a strong pipeline of long and short investment ideas which brings us into a sound position for 2017.

○ **Outlook: Consensus earnings optimism despite policy uncertainty**

Financial markets have continued to be driven by glass half full expectations despite earnings estimates for 2016 generally coming in below expectations versus a year ago. Current 2016 estimate for earnings growth for STOXX Europe 600 now stands at a -2.4% earnings growth compared with +6% at the beginning of 2016. For 2017, the consensus earnings growth estimate for STOXX Europe 600 is currently +16.4% which is quite high by historical standards. Even without the strong expected growth in Energy (due to the oil price recovery), the expected growth rate is around +12%. European PMI surveys have been quite strong recently with the Eurozone Manufacturing PMI at a 69-month high (at 55.1) and the employment component saw the highest level since February 2008. A significant part of this economic strength is due to the extremely loose monetary policy from the ECB which has resulted

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in a very depressed Euro exchange rate as well as record low interest rates. While we don't necessarily see the Euro or interest rates going much higher in the near term, we don't see much further downside and thus the positive economic effect from these two stimulants should gradually diminish in 2017. In addition, the current economic strength seems to be already reflected in the consensus earnings estimates (+16.4% expected) as well as in share prices of the STOXX Europe 600 currently trading at a P/E ratio 19.4x for 2017.

Unsurprisingly, with the surrounding uncertainty of Brexit and the new Trump administration as well as significant general elections coming in Europe in 2017 (Netherlands, France, Germany), the Economic Policy Uncertainty Index (policyuncertainty.com) is at its highest ever. At the same time realized as well as implied volatility in equity markets are close to record lows (VIX at 11.0% and VSTOXX at 15.7%). In other words, there is currently a stark divergence between the observed economic and political uncertainty and the implied uncertainty discounted by the equity market. We therefore expect volatility to pick up again and to stay at higher levels which should be in favor of our investment strategy.

At the start of nearly every year we have expected the upcoming year to be a year where stock picking will truly make a comeback and macro and beta factors would become less relevant. So far this has only been partly true. In the last 3 years the Tiger Value Fund has outperformed both the DAX and STOXX Europe 600 in aggregate by around 10%-points but the broad market indices have remained quite resilient despite many economic and political headwinds and have posted positive returns every year in the last 5 years.

While it's hard to make predictions where equity markets will be exactly at 31 December 2017, we believe that incremental stock market returns will be harder to achieve in 2017 which should result in very modest overall investment returns. In order to achieve attractive returns it will be even more important with stock selection and exposure management. In the last 8 years we have demonstrated that we can generate positive (or near positive in 2011) in every market environment and we are very confident that we will post very attractive risk adjusted returns also in 2017.

The Tiger Value Fund Desk, 4th February 2017



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 specialized fundamental European long/short equity investment manager. 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 30 long investments with a target net long exposure of around 20-50%. 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	monthly*	Fund Benchmark	CS HF Index L/S Equity
Share Class B	6 months		

*) The redemption notice has to be send 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 GmbH
Swiss Representative	ACOLIN Fund Services AG
Prime Broker/Custodian	SEB AB / SEB SA
Administrator	European Fund Administration 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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