

Newsletter February 2017

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

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Launch date	12 Dec 2008			Total Gross Exposure	85.7%			Total Long Exposure	65.9%				
AuM	€ 59 m			Total Net Exposure	46.0%			Total Short Exposure	19.9%				
Share Class A	NAV* € 2,148.63			WKN	ISIN			Bloomberg			Reuters		
Share Class B	€ 2,333.31			A0Q5LH	LU0400329677			TIGERAA LX EQUITY			LP68023199		
				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	114.9%	9.8%	1.62x	6.3%									
Share Class B	133.3%	10.9%	1.73x	6.5%									
POSITIONS													
Number of Positions			Weightings (% of Gross)										
Long Positions	34	Long		Short									
Short Positions	22	Top 5	28.6%	12.0%									
Total No. Positions	56	Top 10	49.8%	16.9%									
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%											3.30%
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%
MARKET CAPITALISATION													
	Pos. No	%Gross	Net Exp	Long	Short								
Large (>€5bn)	10	13.7%	-9.0%	1.4%	-10.4%								
Mid (>€1bn)	17	26.8%	5.0%	14.0%	-9.0%								
Small - Mid (€0.5-€1bn)	6	12.6%	9.9%	10.3%	-0.5%								
Small (€50m-€500m)	17	43.6%	37.4%	37.4%	0.0%								
Micro (<€50m)	6	3.2%	2.7%	2.7%	0.0%								
Total	56	100.0%	46.0%	65.9%	-19.9%								
DACH region > 90%													
SECTOR EXPOSURE													
	Pos. No	%Gross	Net Exp	Long	Short								
Technology	8	9.4%	4.8%	6.4%	-1.7%								
Media/Retail	11	21.0%	7.1%	12.6%	-5.4%								
Industrials/Materials	17	24.8%	11.0%	16.1%	-5.2%								
Real Estate/Financials	7	14.5%	10.6%	11.5%	-0.9%								
Auto/Transport	4	8.5%	4.0%	5.6%	-1.6%								
Energy/Renewables	7	16.6%	12.8%	13.5%	-0.7%								
Healthcare													
DAX / MDAX	2	5.0%	-4.3%	0.0%	-4.3%								
Total	56	100.0%	46.0%	65.9%	-19.9%								
ASSET ALLOCATION													
	Pos. No	%Gross	Net Exp	Long	Short								
Equity	47	84.6%	46.0%	59.3%	-13.2%								
Fixed Income	3	6.0%	5.2%	5.2%	0.0%								
Future													
Option	6	9.3%	-5.2%	1.4%	-6.6%								
Total	56	100.0%	46.0%	65.9%	-19.9%								

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 – February 2017

○ **Returns: +1.31% (class A)/+1.43% (class B)**

In February, the Tiger Value Fund (“TVF”) had a positive net return of +1.31% for share class A and +1.43% for share class B, making a cumulative positive net return of +3.30% and +3.58% for the year to date and +114.9%/+133.3% since inception (share class A/B).

○ **Commentary: Performance driven by catalyst laden long positions**

In February, we slightly reduced our net adjusted exposure from 41.3% to 40.8% (excl. 5.2% fixed income linked positions). We covered selective short positions and reduced various long positions which also resulted into a fairly low gross exposure of 86% which should change as we have several new long and short investment ideas that we plan to scale into shortly.

Our most significant attributors were MLP (+37bp), FACC (+34bp), Tom Tailor (+53bp), Francotyp-Postalia (+24bp) and PNE Wind (+55bp). PNE was our best attributor after the share overhang of more than 10% was cleared by SPSW Capital and other active value investors. The stock still has significant upside after the company sold its 80% stake in a 142MW wind park portfolio for a total EV of €330m to a subsidiary of the Allianz Renewable Energy Fund II, turning a net debt position of around €230m into a net cash position of €80m. With its strong order pipeline, low valuation of 0.7x Price-to-Book and new shareholder structure, PNE Wind has become an attractive target for both financial and strategic investors.

MLP continued to perform well as some analysts updated their financial forecasts and Hauck & Aufhäuser initiated a research report on MLP with a target price of 7.4 Euro implying 50% upside. Tom Tailor surprised the market by announcing a strong FCF for Q4 and gave a bright outlook for 2017. Even after the strong rebound, Tom Tailor is trading at 5x EBITDA 2017 and with a FCF Yield of 10/20% for 2017/2018 implying significant upside. FACC increased its roadshow activities and surprised positively on the outlook which resulted into a strong share price performance of 20%. For all of the mentioned investments above we see further upside which will be driven by additional positive catalysts over the coming months.

On the negative side, our single short book (incl. single put options) and DAX put index hedges detracted our performance by -17bp and -18bp respectively as markets continued to drift higher and some of our catalysts didn't work out as expected. We further expanded our pipeline of long and short ideas which should continue to result in attractive risk-adjusted returns in coming months.

○ **Outlook: Ignorance is bliss**

Equity markets continued its mindless drift higher in February with both the DAX and STOXX Europe 600 gaining around 3%. On the other side of the Atlantic, the Dow Jones Industrial Average has now gained 12 days in a row, the most since 1987. While 1987 featured a massive crash at the end of the year, it's important to note that it gained another +30% after its record breaking 12-day in a row gain ended. Thus, even though the current rally feels and looks like a blow off top, it can last for a long time.

As we mentioned in the previous newsletter, we see several headwinds for the economy and the financial markets during 2017. While the equity market remains blissfully ignorant of these risks at the moment, it does not alter our expectations for equities overall in 2017. Both equity valuations and earnings

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expectations remain at elevated levels, political uncertainty is at record high and monetary policy is being slowly withdrawn, both in the US and Europe.

We continue to believe that incremental stock market returns will be harder to achieve in 2017 which should result in very modest overall investment returns for the equity market in general. Therefore, stock selection and exposure management will be even more essential in order to achieve attractive risk adjusted returns which should favor our proven investment strategy.

We made very minor adjustments to the portfolio in February and our overall equity net exposure remained at around 41%. We remain vigilant and intend reduce risk once we see more evidence that the current rally is fading. Nevertheless, with a gross exposure of 86% we have ample opportunity to pursue additional ideas both on the long and short side if volatility would return to the equity markets.

The Tiger Value Fund Desk, 1st March 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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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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