

# Tiger Asset Management GmbH

## Tiger Value Fund - Newsletter February 2010

### TIGER FUND - TIGER VALUE FUND (FCP-SIF)

#### RISK REPORT

##### Fund Information

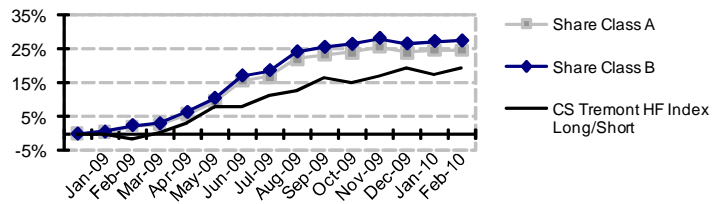
Launch date	12-Dec-08	Total Gross Exposure**	74.1%	Total Long Exposure**	60.4%
AuM	€ 9,342,720	Total Net Exposure**	46.7%	Total Short Exposure**	13.7%

	NAV*	Sharpe Ratio	ISIN	Bloomberg	Reuters
Share Class A	€ 1,247.43	2.25x	LU0400329677	TIGERAA LX EQUITY	LP68023199
Share Class B	€ 1,273.95	2.38x	LU0400329750	TIGERAB LX EQUITY	LP68023200

##### Net Performance

	Since inception	YTD
Share Class A	24.74%	0.56%
Share Class B	27.40%	0.67%

##### Fund Performance vs. CS Tremont HF Index Long/Short since inception



##### Positions

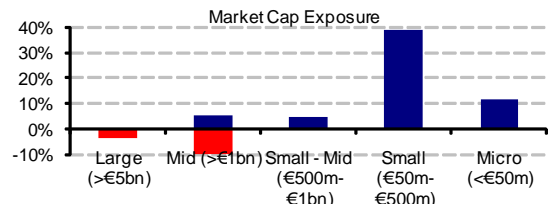
Number of Positions		Weightings (% of Gross)	
		Long	Short
Long Positions	26		
Short Positions	8		
Total No. Positions	34		
		<b>Top 5</b>	
		39.4%	14.1%
		<b>Top 10</b>	
		61.2%	18.5%

##### Monthly Net Return

Share Class	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>Share Class A</b>													
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%	-	-	-	-	-	-	-	-	-	-	0.56%
<b>Share Class B</b>													
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%	-	-	-	-	-	-	-	-	-	-	0.67%

##### Market Capitalisation

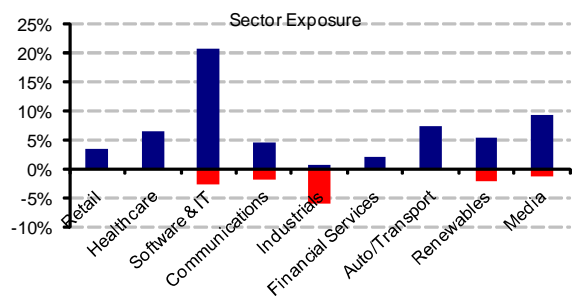
	Pos. No	%Gross	Net Exp	Long	Short
Large (>€5bn)	2	4.9%	-3.7%	0.0%	-3.7%
Mid (>€1bn)	13	21.0%	-4.6%	5.5%	-10.1%
Small - Mid (€500m-€1bn)	1	6.4%	4.7%	4.7%	0.0%
Small (€50m-€500m)	13	52.2%	38.7%	38.7%	0.0%
Micro (<€50m)	5	15.5%	11.5%	11.5%	0.0%
<b>Total</b>	<b>34</b>	<b>100.0%</b>	<b>46.7%</b>	<b>60.4%</b>	<b>-13.7%</b>



Geographic focus: DACH region

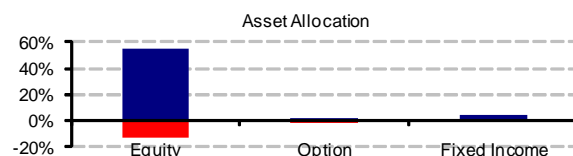
##### Sector Exposure

	Pos. No	%Gross	Net Exp	Long	Short
Retail	2	4.6%	3.4%	3.4%	0.0%
Healthcare	2	8.8%	6.5%	6.5%	0.0%
Software & IT	7	31.6%	18.2%	20.8%	-2.6%
Communications	4	8.7%	2.9%	4.7%	-1.8%
Industrials	5	9.2%	-5.2%	0.8%	-6.0%
Financial Services	2	2.8%	2.1%	2.1%	0.0%
Auto/Transport	4	9.9%	7.3%	7.3%	0.0%
Renewables	5	10.2%	3.2%	5.4%	-2.2%
Media	3	14.2%	8.3%	9.4%	-1.1%
<b>Total</b>	<b>34</b>	<b>100.0%</b>	<b>46.7%</b>	<b>60.4%</b>	<b>-13.7%</b>



##### Asset Allocation

	Pos. No	%Gross	Net Exp	Long	Short
Equity	28	91.6%	41.4%	54.6%	-13.2%
Option	5	2.9%	1.2%	1.7%	-0.5%
Fixed Income	1	5.5%	4.1%	4.1%	0.0%
<b>Total</b>	<b>34</b>	<b>100.0%</b>	<b>46.7%</b>	<b>60.4%</b>	<b>-13.7%</b>



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Source: Tiger Asset Management GmbH/ SEB Fund Services S.A.; \* NAV daily calc. by SEB Fund Services S.A.;\*\* excl. short term investment grade bonds

# Tiger Asset Management GmbH

## Tiger Value Fund - Newsletter February 2010

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### Tiger Value Fund – February 2010

#### ○ **Returns: Up 0.06% (class A)/0.10% (class B)**

In February the Tiger Value Fund had a positive net return of 0.06% for share class A and 0.10% for share class B, making a cumulative positive net return of +0.56%/ +0.67% YTD and +24.74%/ +27.40% since inception (share class A/ B).

#### ○ **Commentary: Core positions burdened performance in February**

Despite lower equity markets in February the Tiger Value Fund showed a positive month. The net exposure was in a range of 15-50% during February. We reduced our net exposure from around 37% to 15% in the beginning of the month but had to pull our MDAX future and some single shorts after the markets reversed and didn't fall apart as we feared. The insurance protection of the Tiger Fund assets is important to us and would have protected the assets in a crash scenario. Our Sharpe Ratio of 2.38x (B Class) and 2.25x (A class) is ranked at no. 30 and 25 out of 1584 Long/short equity hedge funds worldwide at [www.hedgefund.net](http://www.hedgefund.net).

While Tomorrow Focus and Kizoo were our best performers contributing positively with +105bp and our favorite solar short contributed +25bp, we suffered losses at some of our core long positions. Tipp24, Xing and Gerresheimer burdened the performance with -112bp. We would expect positive contributions from our February loss makers over the coming months, especially at Tipp24 where we expect strong operating results in 2010 and a valuation closer to its gambling peers which are trading at around 15x PER2010 vs. a cash adjusted PER2010 of around 4x for Tipp24.

#### ○ **Discussion: Kizoo – United Internet at 20% discount**

Kizoo AG (CMBT, 8.45 Euro), where we hold a position since November 2009 contributed positively over the last months. The company holds a 9% stake in United Internet shares and around Eur 70m cash and financial assets on balance sheet. We expect Kizoo to launch a share buy-back tender offer after its AGM in May reducing the 20% free float to 10%. Further the management probably will sell Kizoo's stake in United Internet in H1 2010 and launch a second tender offer in H2 2010. Finally we expect the squeeze out of Kizoo shares in 2011.

We have discussed the exit route with the company's management several times and started to buy Kizoo shares last November at > 40% discount to its NAV. We would expect the value gap between Kizoo's NAV and its market value to narrow further until the potential share buy-back tender offer is announced in May, making it more attractive for shareholders to tender their shares. In January we started to lock some of our profits via a short position in United Internet.

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### **o Outlook: Public debt discussions ongoing; but not bearish**

The ongoing deterioration of Greece's budget situation and also concerns about Spain's, Portugal's, Italy's and UK's budgets as well as the u-turn of FED's monetary policy resulted in overall falling European equity markets in February.

Despite prevailing concerns about public debt levels and the Euro weakness, we have become more optimistic for equity markets now. On a company level we see a continued strong earnings season, optimistic outlooks from management boards and tailwind for German exporters thanks to the Euro weakness.

Especially some smaller companies with stable growth and high cash flows appear to be incorrectly valued. Since the market is currently focused on short- and medium-term investments with high liquidity, these equities, in relative terms, are still lagging large and mid caps. We also increasingly find some cyclical companies at attractive valuations but beside the overall economic recovery, most of them are lagging positive catalysts.


We are less optimistic for some industrial and technology equities, which are increasingly hitting valuation limits and are rather being carried along by the momentum and money flow; and we are still cautious on sectors such as solar and steel which face structural issues. Further we spotted some late-cyclical companies where investors have become too optimistic on fundamentals. These are the areas where we focus our research to find single shorts.

Our net long exposure is about 47% presently. This may seem high given the current uncertainty, but we are roughly around 35% net exposure when taking into account betas. We fully believe that certain long positions can appreciate in absolute terms even if the markets were to decline further from here. Moreover, our portfolio has substantial support from high cash flows, with many holdings generating free cash-flow yields in a range of 10-20%.

Our next subscription deadline for the Tiger Value Fund is 24<sup>th</sup> March 2010 at 5pm. Should you have any questions regarding the fund, how to invest in the fund or anything else please feel free to contact us via phone at +49(0)402263235-12 or e-mail at [matthias.rutsch@tiger-am.com](mailto:matthias.rutsch@tiger-am.com).

Finally, we would like to take this opportunity to thank you for your continuing support.

**The Tiger Value Fund Desk, 15<sup>th</sup> March 2010.**



**Matthias Rutsch**



**Marc Schädler**

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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 February 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.

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15 March 2010