

Newsletter January 2015

TIGER FUND – TIGER VALUE FUND (FCP-SIF)

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FUND INFORMATION													
Launch date	12-Dec-08	Total Gross Exposure	106.6%	Total Long Exposure	77.2%								
AuM	€ 34.1 m	Total Net Exposure	47.7%	Total Short Exposure	29.5%								
NAV*		WKN	ISIN	Bloomberg	Reuters								
Share Class A	€ 1,745.63	A0Q5LH	LU0400329677	TIGERAA LX EQUITY	LP68023199								
Share Class B	€ 1,855.73	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	74.6%	9.6%	1.58x	6.0%									
Share Class B	85.6%	10.7%	1.70x	6.3%									
POSITIONS													
Number of Positions		Weightings (% of Gross)											
Long Positions	39	Long	Short										
Short Positions	23	Top 5	31.8%	14.8%									
Total No. Positions	62	Top 10	45.5%	20.5%									
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%												2.07%
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%												2.09%
MARKET CAPITALISATION													
	Pos. No	%Gross	Net Exp	Long	Short								
Large (>€5bn)	13	27.7%	-10.0%	9.8%	-19.8%								
Mid (>€1bn)	11	12.7%	-2.5%	5.5%	-8.0%								
Small - Mid (€0.5-€1bn)	10	18.0%	17.4%	18.3%	-0.9%								
Small (€50m-€500m)	22	38.4%	39.3%	40.1%	-0.8%								
Micro (<€50m)	6	3.2%	3.4%	3.4%	0.0%								
Total	62	100.0%	47.7%	77.2%	-29.5%								
DACH region > 90%													
SECTOR EXPOSURE													
	Pos. No	%Gross	Net Exp	Long	Short								
Technology	11	16.2%	14.1%	15.7%	-1.6%								
Media/Retail	11	12.7%	8.7%	11.1%	-2.4%								
Industrials/Materials	22	36.2%	18.8%	28.7%	-9.9%								
Financials/Real Estate	4	2.5%	0.1%	1.4%	-1.3%								
Auto/Transport	7	22.0%	2.2%	12.8%	-10.7%								
Energy/Renewables	4	7.0%	7.5%	7.5%	0.0%								
Healthcare	2	1.6%	-1.7%	0.0%	-1.7%								
DAX / MDAX	1	1.8%	-1.9%	0.0%	-1.9%								
Total	62	100.0%	47.7%	77.2%	-29.5%								
ASSET ALLOCATION													
	Pos. No	%Gross	Net Exp	Long	Short								
Equity	53	89.9%	41.8%	68.9%	-27.0%								
Fixed Income	5	7.8%	8.3%	8.3%	0.0%								
Future	1	1.8%	-1.9%	0.0%	-1.9%								
Option	3	0.5%	-0.5%	0.0%	-0.5%								
Total	62	100.0%	47.7%	77.2%	-29.5%								

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 2015

o **Returns: +2.07% (class A)/ +2.09% (class B)**

In January, the Tiger Value Fund had a positive net return of +2.07% for share class A and +2.09% for share class B and +74.6%/+85.6% since inception (share class A/B).

o **Commentary: Tiger Value Fund not affected by volatile markets**

We started the month with 42.3% adj. net exposure (50.4% incl. fixed income linked investments) and lowered our exposure to around 30% at the beginning of the month via additional index hedges and single shorts as we expected a market correction. While the German equity indices were highly volatile (e.g. the DAX was down 3.5% in the first week of January and then up 9% at month end) the Tiger Value Fund was in positive territory since the beginning of the year. The Tiger Value Fund also hasn't been affected by the Swiss National Bank decision to discontinue the minimum exchange rate floor and the immediate collapse of the Euro against the CHF, as we had very limited exposure to Switzerland. When Mario Draghi announced the European Central Bank's trillion-euro scheme to buy government bonds, we increased the Fund's net exposure to 55% and also started to selectively build new short positions in stocks where we have discovered potential negative catalysts. At the end of the month our adjusted net exposure was actually 3% lower at 39% (47.7% incl. fixed income linked investments) compared to 31 December 2014.

In December we started to scale into attractive Austrian value opportunities (ATX was down 15% in 2014 and is up 1.4% in 2015) which trade at significant lower multiples compared to its German and Swiss peers. As of the end of the month, the Tiger Value Fund held 16.5% of the NAV in Austrian stocks. All of them with very limited exposure to Russia. We also increased and added positions where we believe that the tailwinds from the weak Euro are not reflected in analyst estimates. So far many of our long positions are lagging most German equity indices which should give the long book a lot of catch up potential.

Our top performers and contributors were RHI (+116bp), BMW (+80bp), FACC (+39bp) and Francotyp-Postalia (+33bp); all of our top performers will significantly benefit from a weaker Euro. On the negative side our position in ZEAL Networks burdened the performance with 36bp as the company will once again report weak lottery volumes due to the lack of jackpots in Q4. Nevertheless, in 2015 the EBIT should at least double like-for-like due to around Eur 25m lower operating costs and higher customer base compared to 2014. Also, our short positions burdened the performance by 130bp (single stock hedges and catalyst shorts) and by 27bp due to our index hedges.

o **Discussion: RHI – attractive value investment with strong tailwinds**

We started to scale into RHI (MarketCap: Eur 900m), the global top 2 producer of refractories for the steel, glass, cement, chemical and nonferrous metal industries, in mid-December when Austrian stocks sold off due to the Russian crisis. RHI disappointed the capital markets last year due to its ongoing problems in Norway which made it one of the least preferred ATX stocks among Austrian investors trading at multi year lows. We were attracted by RHI's high and recurring FCF. The company is selling consumables to its clients on the basis of production capacities in the e.g. steel, glass and cement industries rather than capacity utilizations. As long as there are no significant capacity cuts at clients in Americas, Europe, Middle East and Asia, RHI will produce its stable cash flows even in economic downturns. In addition to its strong market position and business model, the company will profit from the following tailwinds: (1) the weak Euro results into positive transaction and translation effects of approximately EUR 25-30m (at 1.13 EUR/USD FX rate), (2) turnaround of operations in Norway and

around EUR 20m cost savings due to lower input costs, (3) customer re-stocking in the high margin industrial business which already started in Q4, (4) very little steel market share in China where we expect capacity cuts which will actually strengthen its non Chinese steel customer base, (5) net working capital improvement of up to EUR 100m targeted for the coming years could result in a FCF yield of nearly 15% in 2015/16. In total RHI should have around EUR 50m EBIT tailwind (45% y-o-y growth) in 2015. Despite RHIs 20% share price performance in the year-to-date the stock is still trading at an undemanding 2015 PER of below 9x and a 3.5% dividend yield (at only 30% pay-out ratio). We have maintained our position as RHIs valuation is still fairly undemanding and we expect further broker upgrades which should result in a continued strong share price performance over the coming months.

o **Outlook: Weak Euro drives European equities**

The outlook for earnings in 2015 look similar if not worse than one year ago. The current earnings expectations in 2015 for Stoxx600 is +9.9%. Nevertheless, this is mainly due to an expected -16.7% decline in earnings for the Energy sector due to the falling oil price. Excluding energy, Stoxx600 earnings are expected to increase +13.5%, close to the expectation one year ago for 2014.

Considering the deflationary forces in the global economy we again believe that earnings expectations for the next 12 months are too optimistic. The one caveat that could keep European earnings elevated again is the rapidly declining value of the Euro that will help export earnings. Without the support of a falling Euro we think Stoxx600 earnings could actually fall in 2015.

Equity markets have started strong so far in 2015 but it's entirely due to the weakness in the Euro. The year-to-date the performance of the Stoxx600 and DAX is around +7% and +9% respectively, while the EURUSD has lost around -7%. Excluding currency movements we believe both earnings and equity returns will be weak in 2015 but if the Euro remains weak or weakens further this will support earnings and equity returns in 2015. The key to how well European earnings and equities do in 2015 will predominantly depend on the value of the Euro.

We feel very comfortable with the stocks in our portfolio which offer substantial valuation upside and significant earnings improvement potential even in a weak economic environment as we continue to focus on catalyst driven ideas with low correlation to the overall equity market. As much of the potential upside in earnings and equity returns in 2015 will depend on a weak Euro, we have positioned the fund in stocks that stand to benefit from a weaker Euro.

The Tiger Value Fund Desk, 2nd February 2015



Matthias Rutsch



Marc Schädler



Peter Irlblad

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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 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 20-30 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	High Water Mark	Yes
Red. Frequency	Monthly	Eligible Investors	See Issue Document
Redemption Notice		Leverage	Maximum 200% of NAV
Share Class A	2 months	Fund Benchmark	DJ CS HF Index L/S Equity
Share Class B	6 months		

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, Phone: +352 248 329-1
Investment Advisor	Tiger Asset Management GmbH
Contact	Matthias Rutsch, Phone: +41 41 500 33-46 Peter Irbled, Phone: +41 41 500 33-45 Marc Schädler, Phone: +49 40 226 32 35-11
Sub-Advisor	PHZ Privat- und Handelsbank Zürich AG
Contact	Phone: +41 43 443 71-00
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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02 February 2015