Newsletter June 2018

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

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Launch date	12 Dec 2008	Total Gross Exposure	97.7%	Total Long Exposure	67.7%	Long Equity Exposure	65.7%
AuM	$141m / € 121m	Total Net Exposure	37.8%	Total Short Exposure	30.0%	Net Equity Exposure	35.7%

	NAV*	ISIN	Bloomberg		NAV*	ISIN	Bloomberg
Share Class A	**€ 2,106.22**	LU0400329677	TIGERAA LX EQUITY	**Share Class V**	**€ 940.25**	LU1740273310	TIGEREV LX EQUITY
Share Class B	**€ 2,311.42**	LU0400329750	TIGERAB LX EQUITY	**Share Class C**	**€ 925.75**	LU1744650885	TIGEREC LX EQUITY
Share Class U	**$ 946.69**	LU1647855136	TIGERVU LX EQUITY				

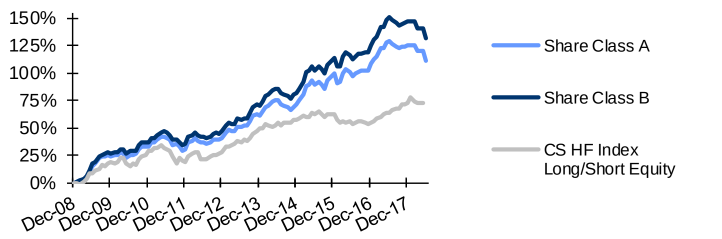
NET PERFORMANCE METRICS

	Return (since inception)	Return (p.a.)	Sharpe Ratio***	Volatility (p.a.)
Share Class A	110.6%	8.2%	1.31x	6.2%
Share Class B	131.1%	9.2%	1.43x	6.5%

POSITIONS

Positions (excl. options)		**Weightings (% of Gross)**	**Long**	**Short**
Longs	45			
Shorts	22	**Top 5**	23.3%	13.6%
Positions	67	**Top 10**	34.6%	19.5%

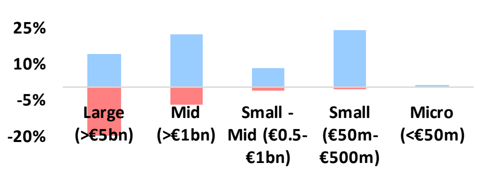
FUND PERFORMANCE vs. CS HF INDEX L/S EQUITY **



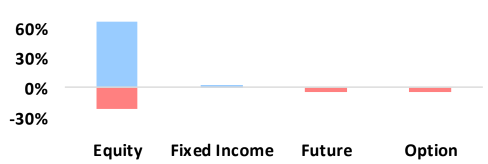
MONTHLY NET RETURN

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%							**-6.50%**
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%							**-6.26%**
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%							**-5.31%**
Share Class V	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Year**
2017	-	-	-	-	-	-	-	-	-	-	-	0.43%	**0.43%**
2018	0.04%	-0.08%	-2.43%	0.11%	-0.15%	-3.97%							**-6.38%**
Share Class C	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Year**
2018	-1.07%	-0.09%	-2.43%	0.11%	-0.15%	-3.97%							**-7.43%**

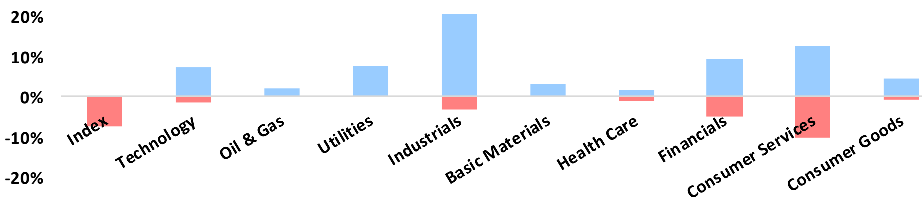
MARKET CAP EXPOSURE



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 – June 2018

- **Returns: -3.99% (class A)/-3.95% (class B)/-3.78% (class U)**
  In June, the Tiger Value Fund ("TVF") had a net return of -3.99% for share class A and -3.95% for share class B, making a cumulative net return of -6.50%/-6.26% for share class A and B for the year to date and +110.6%/+131.1% since inception (share class A/B). Our FX hedged USD share class U which profits from the favorable interest rate swap had a net return of -3.78% in June, making a cumulative net return of -5.31% for the year to date.

- **Commentary: Performance hit by profit warnings**
  Having outperformed the Credit Suisse Hedge Fund Index Long/Short Equity by 3-4% p.a. for the last 9 years we currently face some challenges as our investment strategy, which is strictly based on our 10 point scoring, discards (or even indicates to be short) highly valued growth stocks which are the darlings of today's markets. Fortunately, our value investing methodology normally reverts to very attractive risk adjusted returns after periods of subdued performance, like we have experienced recently. The current underperformance (YTD -6.5/-6.3%/-5.3% share class A/B/C) lags most regional indices -4.73% DAX, -4.80% ATX, -8.23% SMI year-to-date but is similar to previous periods of underperfomance. We had similar challenges in 2011, 2014 and 2016 where the Fund was down as much as -5% during the year but finished flat/up. For example, end of Oct 2014 the TVF was down -5.36% over 5 months rolling period and 5 months later the fund was up 13.01% on a 5 months rolling basis. We are not making any predictions about the TVF's short-term return, but it demonstrates the potential in the strategy to quickly recover from significant drawdowns.

  In June, our net equity exposure was in a range from 25% to 50% and ended the month at 35.7%. Our gross exposure increased from 85.8% to 97.7% as we increased our long exposure from 61.4% to 65.7% and our short exposure from 22.5% to 30%. Although we had booked +86bp in net profits in June we experienced our worst month since inception in a challenging market as our booked gains have been offset by losses (mainly unrealized) in our long book in the second half of the month.

  In our long book we lost money on most positions with only a few winners such as Mutares (+33bp) and Befesa (+19bp). In addition we had two outliers which significantly burdened our performance, Osram (-86bp) and Ferratum (-75bp). Both companies issued profit warnings just a few weeks after management reiterated their previous guidance. At Ferratum the share price fell below it´s IPO price of 17 Euro as the company now "only" expects 20-25% topline growth in 2018. We see the harsh share price reaction as overdone and increased our position after the profit warning. Since the IPO in 2015 Ferratum tripled its revenues and profits and has a very exiting pipeline as well as various catalysts for the second half of 2018. We had a similar situation in 2016 when we bought the stock after the profit warning and the stock subsequently doubled over the following 12 months. Our second outlier was OSRAM where we bought a larger position after its second profit warning in April. We booked some profits in May when our first catalysts materialized and assumed that with the strengthening USD, which is highly favorable for the company, and the bullish comments from the management on their roadshow in May was a good sign. Unfortunately, the automotive environment changed dramatically recently exemplified by the Daimler profit warning which also impacted Osram which has a 50% automotive exposure. As a result of the initial share price decline in Osram following the Daimler profit warning as well as a depressed management roadshow, we sold our position when the stock was down 15-20% the month-to-date ahead of the third profit warning. Following the third and latest profit warning when the share price collapsed another 20% marking a 58% decline from its January peak, we bought back an initial 2% Fund position. Most other automotive players who haven´t yet pre-announced their results have denied any tangible slowdown as far as they are concerned. We expect further unfavourable news in the sector in the near term and hold only a very small net long exposure in the auto sector currently. We anticipate more volatility in the auto sector and expect positive attributions from both our long and short ideas.

Overall, our single short book only attributed +57bp as some technology and growth stocks which trade at inflated multiples have yet to reverse. In addition, we couldn´t profit from our DAX hedges (Dax Futures and Options) as we had a significant DAX Put Option position that expired in mid-June. Although we rolled over our DAX Put hedges, we only could recover the option premiums previously lost in the first half of the month. Currently the Tiger Value Fund holds 2800 out-of-the-money DAX September Puts which is an additional hedging layer in case of a severe stock market correction. Our current Dax Put Option position would completely shield us from any larger market correction with an expected performance contribution of up to 10%-points if the DAX falls by 20% and the implied volatility of our Puts spikes by 20%-points. In a scenario where the DAX falls by 10% and the implied volatility of our Puts increases by 15%-points the expected contribution is 4%-points to our performance. This will allow us to be in a position of strength and focus our attention on additional stock selection opportunities in case of a severe market dislocation which cannot be ruled out in todays highly volatile market environment.

- **Outlook: Trading punches**

The ever louder trade rhetoric of the past few months have now escalated into a veritable punching match with every new US tariff announcement being counteracted and retaliated around the world. Just yesterday the EU announced that it is preparing to target $294bn of US exports if Trump goes ahead with his intended import tariffs on automotive products. At the same time, China has quietly been devaluing its currency which has lost -4% just in the last 2 weeks as they prepare for the fall out of Trump’s trade policies. Given President Trump’s ego and focus on winning its difficult to see a quick de-escalation to the current situation.

We are already seeing an impact on businesses as the global supply chain is disrupted and investments are halted due to the new tariff uncertainty. In Europe, several companies have recently issuing profit warnings as a consequence and we expect many more companies to report similar issues. On our most recent research trip, where we met with German midcap companies, almost all industrial companies complained about extra costs and disruptions to their supply chain as a result of the ongoing trade disputes.

To make matters worse, the European (and global for that matter) economy is already weakening and all the while the ECB is preparing to scale back and stop its quantitative easning program that has been in force for more than 3 years. As we mentioned at the beginning of the year, QE is about to turn negative (or turn into Quantitative Tightening, QT) around the middle of 2018. Starting this month the comined QE from the FED and ECB will now be negative going forward as the FED step up its balance sheet reduction to -$40bn per month from -$30bn previously (while the ECB remains at €30bn). We believe this will have a profound impact on asset allocation and volatility in the global equity markets.

As mentioned earlier in this newsletter our value investment process has additionally been punished by the sharp outperformance of growth stocks over value stocks. The ratio of growth over value (MSCI Europe Growth Index vs. MSCI Europe Value Index) has spiked 8% in the last 2 months, one of the strongest periods of outperformance that we could find. This has impacted our performance on the long side as many of our value stocks have not seen much buying despite very attractive valuations. And due to the continued strength in many growth stocks, several of our shorts have not contributed positively (although we have not necessarily seen negative attribution) to offset these losses even though they have excessive valuations and unfavourable earnings outlooks.

While we try to focus on stock picking and companies with idiosyncratic drivers that can drive share price performance regardless of overall economic environment, we have to admit that many companies which we believed would have a relatively low dependency on the general economic outlook have turned out to be more exposed than previously thought. As we have mentioned repeatedly in our recent newsletters, while we are finding more and more very attractive deep value investment opportunities many of them are currently lacking positive price momentum or near-term fundamental catalysts. Therefore, given our experience in the past month and the growing macro uncertainty, we are becoming increasingly selective with our investment ideas and disciplined with the quality of catalysts and valuation support. As a final point we would like to thank our investors for the trust and continued support during this period of adversity and we can promise you that we will work hard to get the performance back on track again.

The Tiger Value Fund Desk, 3rd July 2018

Matthias Rutsch **Marc Schädler** **Peter Irblad**

Newsletter June 2018

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

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 20-40 long investments (excl. residual positions, options and fixed income) with a target net long exposure of around 20-50%. The geographic focus is likely to be Germany, Switzerland and Austria.

Fund Information	
Currency	EUR
Legal Entity	FCP-SIF
Fund Domicile	Luxembourg
Fund Structure	Open-ended multi-class
Style mandate	Long/Short and Active Value
Investment Minimum	
Share Class A/U	€ 125,000 /US-$ 125,000
Share Class B/C/V	€ 5,000,000
Sub. Frequency	Monthly
Red. Frequency	Monthly
Redemption Notice	
Share Class A/U	5 business days*
Share Class B	6 months
Share Class C/V	1 month

Fee Structure and Risk Management	
Admin/Custodian Fee	Up to 0.49%
Advisory (Mgmt) Fee	
Share Class A/U	2.00%
Share Class B	1.50%
Share Class C/V**	1.75%
Performance Fee	
Share Class A/U	20%
Share Class B/C/V	15%
Hurdle Rate	None
High Water Mark	Yes
Eligible Investors	See Issue Document
Leverage	Maximum 200% of NAV
Fund Benchmark	CS HF Index L/S Equity
Yearly Dividend	Share Class V

*) 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.
**) max. 1.75%

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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Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. The price, value of and income from any of the securities or financial instruments held by the Fund can rise and fall as well. Investments held by the Fund may have a high level of volatility. High volatility investments may experience sudden and large falls in their value causing losses when that investment is realized. Income yields from investments may fluctuate and, in consequence, initial capital paid to make the investment may be used as part of that income yield. Some investments may not be readily realizable and it may be difficult to sell or realize those investments. Similarly it may prove difficult for you to obtain reliable information about the value, or risks, to which such an investment is exposed.

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.

The state of the origin of the Fund is Luxemburg. This document may only be distributed in or from Switzerland to qualified investors within the meaning of Art. 10 Para. 3, 3bis and 3ter CISA. The Representative in Switzerland is ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich, whilst the Paying Agent is M.M.Warburg Bank (Switzerland) Ltd., Parkring 12, 8027 Zurich. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss representative. The basic documents of the Fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge at the registered office of the Swiss Representative. The current document is intended for information purposes only and shall not to be used as an offer to buy and/or sell shares. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming shares. Past performance may not be reliable guide to future performance.

The Tiger Fund has been passported for marketing in Austria and Germany in accordance with the terms of the AIFMD, the 2013 Law and the AIFMG (Austrian Alternative Investment Funds Manager Act (Alternative Investmentfonds Manager-Gesetz)) respectively the KAGB (Investment Code (Kapitalanlagegesetzbuch)). The Units passported may be marketed in Austria and/or in Germany in line with the terms and exclusively to professional investors within the meaning of the AIFMG and/or KAGB. Any marketing activities to other categories of investors are prohibited.