

Newsletter June 2019

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

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Launch date	12 Dec 2008	Total Gross Exposure				81.9%	Total Long Exposure				59.2%	Long Equity Exposure		57.7%
AuM	\$ 86m / € 76m	Total Net Exposure				36.5%	Total Short Exposure				22.7%	Net Equity Exposure		35.0%
	NAV*	ISIN	Bloomberg					NAV*	ISIN	Bloomberg				
Share Class A	€ 1,834.77	LU0400329677	TIGERAA LX EQUITY				Share Class U	\$ 847.97	LU1647855136	TIGERVU LX EQUITY				
Share Class B	€ 2,023.60	LU0400329750	TIGERAB LX EQUITY				Share Class C	€ 808.45	LU1744650885	TIGEREC LX EQUITY				
NET PERFORMANCE METRICS							FUND PERFORMANCE vs. CS HF INDEX L/S EQUITY **							
	Return (since inception)	Return (p.a.)	Sharpe Ratio***	Volatility (p.a.)			<div>Share Class A</div> <div>Share Class B</div> <div>CS HF Index Long/Short Equity</div>							
Share Class A	83.5%	6.0%	0.80x	7.9%										
Share Class B	102.4%	6.9%	0.90x	8.1%										
POSITIONS														
Positions (excl. Options/FI)		Weightings (% of Gross)												
Longs	32	Long		Short										
Shorts	15	Top 5		16.2%										
Positions	47	Top 10		23.2%										
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%	2.20%	-2.14%	-1.58%	-3.14%	-2.73%	-7.43%	-19.73%	
2019	4.37%	0.23%	-0.91%	1.44%	-4.53%	1.09%							1.48%	
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%	2.25%	-2.10%	-1.54%	-3.09%	-2.69%	-7.40%	-19.33%	
2019	4.41%	0.26%	-0.87%	1.48%	-4.49%	1.13%							1.73%	
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%	2.41%	-1.91%	-1.23%	-2.86%	-2.44%	-7.22%	-17.39%	
2019	4.34%	0.43%	-0.65%	1.69%	-4.27%	1.31%							2.67%	
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%	2.22%	-2.12%	-1.56%	-3.12%	-2.71%	-7.42%	-20.43%	
2019	4.39%	0.25%	-0.89%	1.46%	-4.51%	1.11%							1.60%	
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 - GS Hedge Fund Index Long/Short Equity; *** TAM inhouse calculation														

Tiger Value Fund – June 2019

○ **Returns: +1.09% (class A)/+1.13% (class B)/+1.31% (class U)**

In June, the Tiger Value Fund (“TVF”) had a net return of +1.09% for share class A and +1.13% for share class B, making a cumulative net return of +1.48%/+1.73% for share class A and B for the year-to-date and +83.5%/+102.4% since inception (share class A/B). Our FX hedged USD share class U had a net return of +1.31% in June, making a cumulative net return of +2.67% for the year to date.

○ **Commentary: Value re-discovered by investors soon?**

In June, we had an average net equity exposure of 46% and a range of around 32-50% closing at 35% at month end as we bought more DAX Put options (6% short exposure) and reduced some of our long positions towards the end of the month. While value investing continued to be out of favor in June, the combination of low interest rates and high setback risk at expensive high-quality and growth stocks should encourage investors to slowly but surely rotate out of these overpriced stocks into high cash flow and dividend yielding value stocks.

In our long book our positive attributors were Bayer (+65bp), EnergieKontor (+20bp), PNE Wind (+32bp), K+S (+20bp), AMS (+39bp) and Fresenius Medical Care (+27bp). On the negative side we had some small caps such as Singulus (-13bp) and Manz (-21bp) which burdened our performance further and we had various value investments such as Strabag, MLP, Ferratum and TUI which continued to underperform. At both Singulus (6x PE 2020) and Manz (9x PE 2020), we see significant upside once the expected solar orders are signed, and for Manz we are also expecting a few larger battery orders in H219 to act as a catalyst for the stock. Also, for TUI (7x PE 2020) we see significant upside as our channel checks concluded that travel markets experienced an exceptional strong June of last-minute bookings and comps will become easier from Q3 onwards. Ferratum (7x PE 2020) just announced a mid-term target of Eur 100m EBIT (vs a market cap of only Eur 220m) which implies strong profit growth over the next years. Also, Ferratum will profit from the new EU open banking directive PSD2 which should drive growth even further. We re-entered AMS (10x PE 2020) after the recent sell-off as Q2 and Q3 look strong due to significant design and order wins. At Bayer (8x PER 2020) we see investor interest picking up with the activist investor Paul Singer joining and sharing our positive view on Bayer and at MLP (7x adj. PE 2020) we would expect consensus upgrades triggered by higher growth expectations and a positive outcome of the life insurance commission cap. Our top pick PNE Wind (3x PER 2020) is a key beneficiary of low interest rates and the structural growth in renewables.

In our short book our single shorts reduced our performance by 80bp and our index option hedges cost another 12bp and the DAX Future hedge another 6bp. Currently the Fund holds 1200 DAX Put Options with expiries in July and September.

○ **Outlook: Fading growth triggers another round of monetary stimulus**

The big catalyst for European equity markets in June was the sudden U-turn by Mario Draghi at the ECB conference in Sintra, suggesting that another round of monetary stimulus could come shortly. In addition, across the Atlantic, the Federal Reserve is now widely expected to cut rates in July and by up to 75bp until year end. While not unexpected, the swift reversal of the largest central banks from normalizing policy to yet again easing is quite extraordinary especially given the already inflated balance sheets and historically record low rates (and still negative rates in Europe). Consequently, the German 10-year Bund yield hit a new all-time low of -0.36% and the US 10-year Treasury yield is back to 2% from >3% only late 2018. It certainly looks like the developed world has entered a period of secular

stagnation with permanent slow growth, low inflation and ZIRP/NIRP (Zero/Negative Interest Rate Policy).

Monday's economic releases provided further evidence of the stagnating growth environment with the Caixin China manufacturing PMI again slipping below 50 to 49.4 (50.2 May), Spain manufacturing PMI now also below 50 at 47.9 (50.1), and Germany's manufacturing PMI staying depressed at 45.0 (45.4). As before, we see no reason to expect any improvement near-term especially in the light of the continued trade tensions globally.

One of the side effects of this stagnant growth environment is a significant valuation premium on growth companies. The Growth/Value ratio that we have been tracking lately hit another high in June as Growth outperformed Value by 140bp as lower rates for longer continues to turbo charge growth stocks.

We ended June with 35% net equity exposure and continue to see excellent risk/reward in many of our value investments. All of our biggest positions have idiosyncratic fundamental drivers that can result in significantly higher share prices even in the face of a stagnating economy and a weaker stock market. While Growth continued to outperform Value in June, we did see selective interest for some depressed value stocks that makes us cautiously optimistic that value may be coming back in vogue.

The Tiger Value Fund Desk, 3rd July 2019



Matthias Rutsch



Marc Schädler



Peter Irblad

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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 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		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/U	2.00%
Fund Structure	Open-ended multi-class	Share Class B	1.50%
		Share Class C**	1.75%
Style mandate	Long/Short and Active Value	Performance Fee	
Investment Minimum		Share Class A/U	20%
Share Class A/U	€ 125,000 /US-\$ 125,000	Share Class B/C	15%
Share Class B/C	€ 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/U	5 business days*	Fund Benchmark	CS HF Index L/S Equity
Share Class B	6 months		
Share Class C	1 month		

*) 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

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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