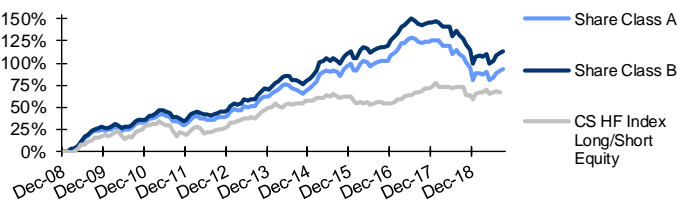
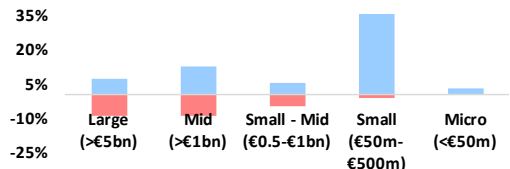
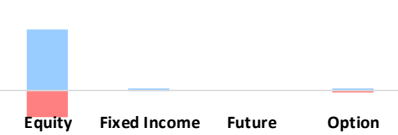
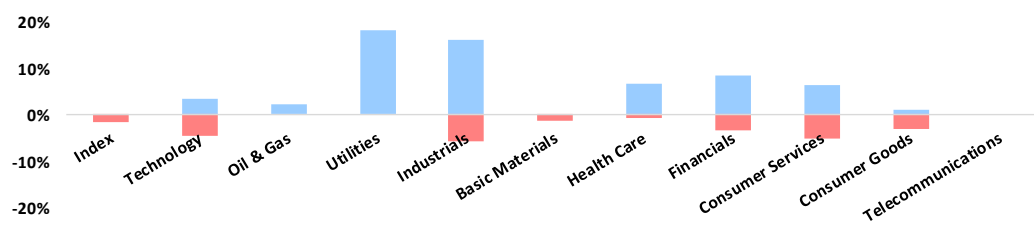


# Newsletter September 2019

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

AC TIGER FUND - TIGER VALUE FUND (FCP-SIF)													
Launch date	12 Dec 2008	Total Gross Exposure		88.4%	Total Long Exposure		62.1%	Long Equity Exposure		60.1%			
AuM	\$ 61m / € 56m	Total Net Exposure		35.7%	Total Short Exposure		26.4%	Net Equity Exposure		33.7%			
	NAV*	ISIN	Bloomberg			NAV*	ISIN	Bloomberg					
Share Class A	€ 1,928.02	LU0400329677	TIGERAA LX EQUITY		Share Class U	\$ 898.47	LU1647855136	TIGERVU LX EQUITY					
Share Class B	€ 2,129.27	LU0400329750	TIGERAB 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.)									
Share Class A	92.8%	6.3%	0.85x	7.9%									
Share Class B	112.9%	7.3%	0.95x	8.1%									
POSITIONS													
Positions (excl. Options/FI)		Weightings (% of Gross)											
Longs	28	Long		Short									
Shorts	24	Top 5		12.4%									
Positions	52	Top 10		18.2%									
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%	2.81%	1.72%	0.49%				6.63%
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%	2.86%	1.76%	0.53%				7.04%
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%	3.06%	2.07%	0.73%				8.79%
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 Hedgae Fund Index Long/Short Equity; *** TAM inhouse calculation													

### Tiger Value Fund – September 2019

#### o **Returns: +0.49% (class A)/ +0.53% (class B)/ +0.73% (class U)**

In September, the Tiger Value Fund (“TVF”) had a positive net return of +0.49% for share class A and +0.53% for share class B, making a cumulative net return of +6.63%/+7.04% for share class A and B for the year-to-date and +92.8%/+112.9% since inception (share class A/B). Our FX hedged USD share class U had a net return of +0.73% in September, making a cumulative net return of +8.79% for the year to date.

#### o **Commentary: Mixed bag**

In September, we had an average net equity exposure of 35.3% and a range of around 25-40% closing at 33.7% at month end slightly lower vs the end of August. The performance of our long book was mixed with a few positions burdening our performance and a few performing well.

In our long book our top positive attributors were TUI (+49bp), PNE Wind (+42bp) and AMS (+26bp). We booked our profits in TUI after Thomas Cook filed for insolvency and the stock was up more than 15% in September. Giving the continued economic slowdown in Europe we stepped on the side lines at many stocks with cyclical exposure such as TUI.

PNE Wind profited from ongoing takeover speculation by Morgan Stanley Infrastructure Partners who launched a non-binding offer of Eur 3.5-3.8 per PNE share in August and a press article mentioning private equity investors such as EQT and Macquarie as additional bidders.

On the negative side we had some positions such as Bayer (-17bp), Tele Columbus (-28bp) and Ferratum (-34bp), which burdened our performance with limited news flow. In particular at Tele Columbus we could see a strong year end finish as the potential sale of the network asset (“NetCo”) continues. EQT just bought the NetCo company Inexio from Warburg Pincus and Deutsche Beteiligungs-AG at 20x EV/EBITDA 2019e which implies significant upside for Tele Columbus. We increased our position and expect a potential NetCo deal to be signed by year end.

As equity markets such as DAX and MDAX were up 4.1% and 0.7% respectively we had detractions from the short book. Our single shorts cost -37bp and our DAX Put Option hedges burdened our performance by another -8bp. We will continue to apply additional DAX Put hedges to be prepared for a larger market draw down although our beta adjusted net exposure of around 20% is implying limited downside.

#### o **Outlook: It’s déjà vu all over again**

European equity markets performed well in September with the DAX advancing +4.1% and Stoxx Europe 600 (SXXR) gaining +3.7%. The strong September performance negated the declines in July and August and DAX ended Q3 broadly flat (+0.2%). In the third quarter DAX underperformed most other European markets with the SXXR gaining +2.6% as the overweight of cyclical industries depressed the DAX. In fact, the SXXR (total return index) made a new all-time-high in Q3 while the DAX remains -8% below its all-time-high set in January 2018.

In September we continued to see more evidence of a weakening economy. The German Manufacturing PMI fell to its lowest level (41.7) since 2008 indicating a sharp contraction. It seems very likely that Germany will report declining GDP two successive quarters in a row and officially enter a recession in

## Newsletter September 2019

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

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Q3. While the German manufacturing sector has led this downturn, it is now spreading more broadly. Today's release of the Swedish Manufacturing PMI showed the biggest month over month decline since 2008 plunging to 46.3 from 52.4 in August. Of the bigger European countries, only France has a manufacturing PMI in expansionary territory but only just at 50.1. It seems inevitable that the weakness in manufacturing will also spread to the services sector in Q4 and 2020.

The planned central bank meetings in September produced the expected results; the FED cut rates by another 25bp and the ECB by another 10bp and the ECB also announced it planned to restart QE. Coming into 2019, the general expectation was that central banks would normalize monetary policy and step back from its emergency policies from the GFC. Only 6 months later it's Déjà vu all over again.

Despite the planned resumption of QE by ECB and further rate cut, European bond yields actually rose in September with the German 10y yield increasing from -0.7% to -0.57%. In the US, the 10-year treasury bond yield rose from 1.50% to 1.66%. It seems notwithstanding slower growth and more monetary stimulus, bond yields seem to have bottomed, at least short term.

Overall, we maintained a below average net exposure in September and ended at 33.7%. We took profit on some longs like TUI and AMS but otherwise largely maintained our defensively positioned portfolio. We are likely to remain at a below average net exposure in October and Q4 as we expect economic data to continue to deteriorate and pressure Q4 consensus earnings and 2020 in particular. While there is a lot of value in some pockets of the markets, as long as catalysts are overwhelmingly negative, we will have a bias to remain cautious and focus on catalyst short ideas.

#### ***The Tiger Value Fund Desk, 2<sup>nd</sup> October 2019***



**Matthias Rutsch**



**Marc Schädler**



**Peter Irblad**

# Newsletter September 2019

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

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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 20-60%. 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%
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	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/U	5 business days*	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

<b>Management Company</b>	Alceda Fund Management SA
<b>Investment Advisor</b>	Tiger Asset Management GmbH
<b>Swiss Representative</b>	ACOLIN Fund Services AG
<b>Prime Broker/Custodian</b>	SEB AB / SEB SA
<b>Administrator</b>	European Fund Administration SA
<b>Auditor</b>	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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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 Luxembourg. 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.

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