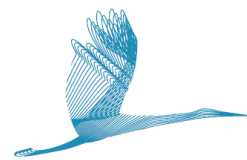


CIGOGNE FUND

ABS/MBS Arbitrage

31/03/2020



CIGOGNE
MANAGEMENT

Assets Under Management : 273 697 351.19 €

Net Asset Value (O Shares) : 17 565.15 €

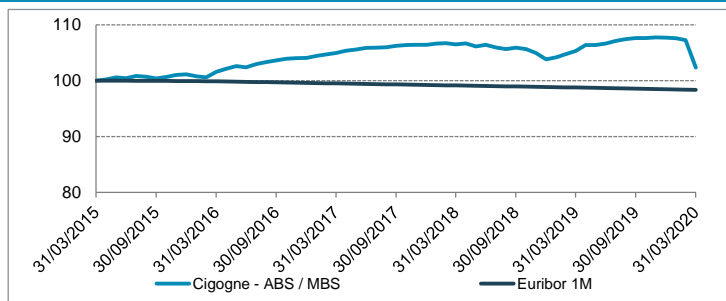
PERFORMANCES

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2020	-0.08%	-0.32%	-4.60%										-4.97%
2019	0.35%	0.55%	0.54%	1.01%	0.01%	0.23%	0.46%	0.31%	0.15%	0.02%	0.11%	-0.05%	3.74%
2018	0.21%	0.07%	-0.20%	0.17%	-0.51%	0.27%	-0.46%	-0.26%	0.24%	-0.24%	-0.67%	-1.08%	-2.44%
2017	0.33%	0.24%	0.25%	0.39%	0.21%	0.28%	0.02%	0.06%	0.24%	0.14%	0.07%	-0.02%	2.24%
2016	-0.38%	-0.19%	1.00%	0.54%	0.47%	-0.23%	0.58%	0.35%	0.30%	0.27%	0.10%	0.06%	2.90%

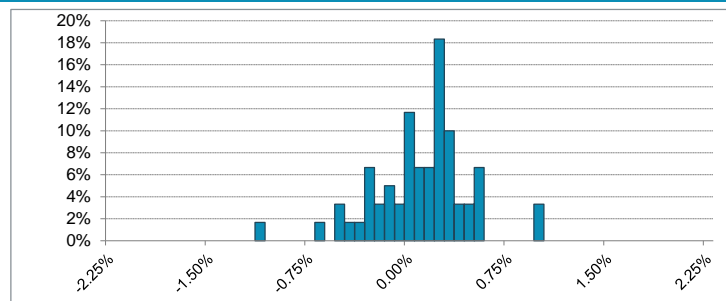
PORTFOLIO STATISTICS FOR 5 YEARS / SINCE 30/06/2006

	Cigogne ABS/MBS Arbitrage		Euribor 1M		HFRX Global Hedge Fund EUR Index		MSCI World AC TR EUR Index		Markit iBoxx Corporate Index	
	For 5 Years	From Start	For 5 Years	From Start	For 5 Years	From Start	For 5 Years	From Start	For 5 Years	From Start
Cumulative Return	2.35%	75.65%	-1.64%	12.20%	-16.38%	-18.07%	12.64%	110.70%	2.24%	65.67%
Annualised Return	0.46%	4.18%	-0.33%	0.84%	-3.51%	-1.44%	2.41%	5.56%	0.44%	3.74%
Annualised Volatility	2.44%	12.46%	0.03%	0.45%	4.77%	5.88%	13.43%	13.32%	4.16%	4.00%
Sharpe Ratio	0.32	0.27	-	-	-0.67	-0.39	0.20	0.35	0.19	0.72
Sortino Ratio	0.37	0.31	-	-	-0.80	-0.49	0.30	0.55	0.23	1.11
Max Drawdown	-5.02%	-52.14%	-1.64%	-1.64%	-16.63%	-25.96%	-19.69%	-48.81%	-7.72%	-7.72%
Time to Recovery (m)	-	22	-	-	-	-	-	48	-	-
Positive Months (%)	70.00%	81.21%	0.00%	63.03%	53.33%	55.76%	60.00%	63.64%	51.67%	62.42%

PERFORMANCE (Net Asset Value)



DISTRIBUTION OF RETURNS (Monthly Basis)

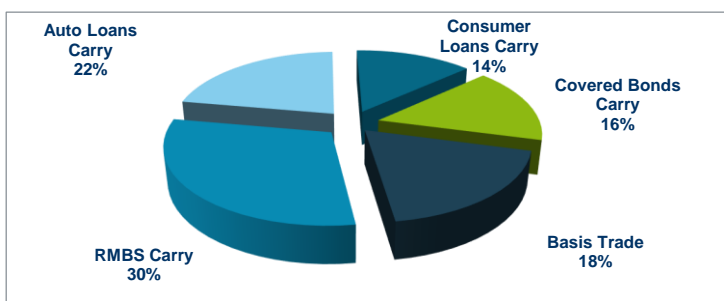


INVESTMENT MANAGERS' COMMENTARY

The monthly performance of the Cigogne – ABS/MBS Arbitrage fund was -4.60%.

From the beginning of the month, the coronavirus epidemic affected Europe at an unprecedented speed and scale, before spreading to the American continent. The various drastic measures taken by governments, which range from partial or total lockdown to border closures, have caused a halt to the economy for the majority of sectors, with the services sector taking the hardest hit. Faced with this situation, the ECB has announced that a new scheme will be launched, enabling it to purchase assets amounting to +€750 billion. The aim of this "Pandemic Emergency Purchase Programme" (or PEPP) is to counter the devastating effects of the coronavirus crisis on the European economy and markets. In the United States, the Federal Reserve announced an emergency interest rate cut on 3 March and, since then, has been making new efforts almost weekly, such as reducing interest rates to zero and relaunching large-scale asset purchases. Besides monetary policies, most Western governments have implemented emergency budgetary measures to combat the immediate effects of the Covid-19 crisis. In this context of high risk aversion and dwindling liquidity, the market reacted violently, with a fall in all risky assets. This movement towards risk-off initially resulted in the main core sovereign rates falling, but they then rebounded strongly in the face of the budgetary stimulus measures. For example, the French 10-year rate ended the month down by 0.02%, compared to -0.29% the previous month. In common with all asset classes, the European ABS market suffered greatly. Although the widening of spreads in European securitisations was initially limited to peripheral issuers, it ended up being reflected in the securitisations of the core countries that make up the large part of our portfolios, and the movement was further accentuated by the lack of liquidity on the markets. The duration and depth of the recession remain difficult to assess, we can nevertheless anticipate an increase in the number of borrowers in difficulty and, therefore, that there will be payment arrears in the securitised debt portfolios. However, it is important to remember that the portfolio is composed exclusively of tranches with the highest seniority, which benefit from significant credit enhancement. Securitisation also has other structural protection, ranging from over-collateralisation to reserve accounts, enabling it to deal with any potential defaults. It should also be noted that, in contrast to the financial crisis of 2008, the European ABS market is supported by the ECB in the form of net purchases of over €31.3 billion under the ABSPP or in the form of over €300 billion in loans via repos.

ASSET BREAKDOWN



CORRELATION MATRIX

	Cigogne ABS/MBS	Euribor 1M	HFRX HF Index	MSCI World Index	Markit iBx Corp. Index
Cigogne ABS/MBS	100%	17%	73%	62%	77%
Euribor 1M	17%	100%	0%	-5%	6%
HFRX HF Index	73%	0%	100%	79%	62%
MSCI World Index	62%	-5%	79%	100%	60%
Markit iBx Corp. Index	77%	6%	62%	60%	100%

CIGOGNE FUND

ABS/MBS Arbitrage

31/03/2020



INVESTMENT OBJECTIVES

Strategies set forth in the ABS / MBS Arbitrage compartment span across two specialties:

- ABS (Asset Backed Securities), MBS (Mortgage Backed Securities) and Covered Bonds arbitrage, which consist in exploiting price inefficiencies between asset backed notes and their refinancing cost (notes purchase related borrowing cost);
- Basis Trade arbitrage, which consists in taking advantage of the spread between the premium offered by a secured note and the CDS premium of the related issuer.

All these strategies focus on the credit component of the underlying financial instruments; any interest rate exposure is systematically hedged. The portfolio is today composed of ABS/MBS and Covered Bonds of high quality, benefiting from a AA- rating (at least) and a weighted average life of 2 years (except on basis arbitrage strategies). The portfolio is well diversified, with more than forty strategies on average.

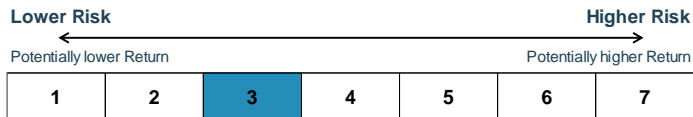
MAIN EXPOSURES (In percentage of gross asset base)

HFHL 2019-1 A EUR3+70 27/09/2056	3.53%
HLFCT 2019-1 A EUR3+60 31/10/54	3.20%
HFHL 2020-1 A EUR3+70 27/02/2061	2.70%
DRVES 6 A EUR1+70 25/09/2030	2.62%
CIE FINA FONCIER 4.875% 25/05/21	2.48%

FUND SPECIFICS

Net Asset Value :	273 697 351.19 €
Net Asset Value (O Units) :	6 841 507.48 €
Liquidative Value:	17 565.15 €
ISIN Code :	LU0648560224
Legal Structure :	FCP - SIF, AIF
Inception Date of the fund :	June 30th 2006
Inception Date (O Units) :	April 30th 2011
Currency :	EUR
NAV calculation date :	Monthly, last calendar day of the month
Subscription / redemption :	Monthly
Minimum Commitment:	1 000 000.00 €
Minimum Notice Period:	3 months
Management Fee:	1.50%
Performance Fee :	20% High Water Mark
Hurdle Rate :	Euribor 1M
Country of Registration :	FR, LU, UK
Management Company:	Cigogne Management SA
Investment Advisor:	CIC Marchés
Depository Bank:	Banque de Luxembourg
Administrative Agent:	European Fund Administration
Auditor:	Deloitte Luxembourg

RISK PROFILE



The risk category has been determined on the basis of historical data and may not be a reliable indication of the future risk profile. The risk and reward category shown does not necessarily remain unchanged and the categorization of the fund may shift over time.

REASONS TO INVEST IN CIGOGNE ABS/MBS ARBITRAGE

In addition to traditional financial investment, alternative investments aim to provide investors with absolute performances independent from the return of traditional asset classes such as shares, bonds etc. With these objectives, alternative investments can be construed as the natural complement to assets allocation between classical portfolio investment and risks managed performance strategies that take advantages of market inefficiencies.

Cigogne Management S.A. is the alternative asset management branch of Crédit Mutuel Alliance Fédérale, a major actor in the industry. Cigogne Management S.A. benefits from CIC Marchés' deep expertise. Cigogne Management S.A. currently manages the Cigogne Fund, Cigogne UCITS and Cigogne CLO Arbitrage funds (single-strategy funds) as well as the Stork Fund (multi-strategy funds).

Cigogne Fund - ABS/MBS Arbitrage aims to achieve stable and positive performances over time, uncorrelated from traditional asset classes by setting up Asset-Backed Securities (ABS) arbitrage strategies, Mortgage-Based Securities (MBS) strategies and Covered Bonds strategies.

DISCLAIMER

The information contained herein is provided for information purposes only and shall only be valid at the time it is given. No guarantee can be given as to the exhaustiveness timeliness or accuracy of this information. Past performance is no indication of future returns. Any investment may generate losses or gains. The information on this document is not intended to be an offer or solicitation to invest or to provide any investment service or advice. Potentially interested persons must consult their own legal and tax advisor on the possible consequences under the laws of their country of citizenship or domicile. Any person must carefully consider the suitability of their investments to their specific situation and ensure that they understand the risks involved. Subscriptions to fund shares will only be accepted on the basis of the latest prospectus and the most recent annual reports.

CONTACT

CIGOGNE MANAGEMENT S.A.

18 Boulevard Royal
L - 2449 Luxembourg
LUXEMBOURG

www.cigogne-management.com

contact@cigogne-management.com

