

CIGOGNE FUND

Convertible Arbitrage

31/03/2023

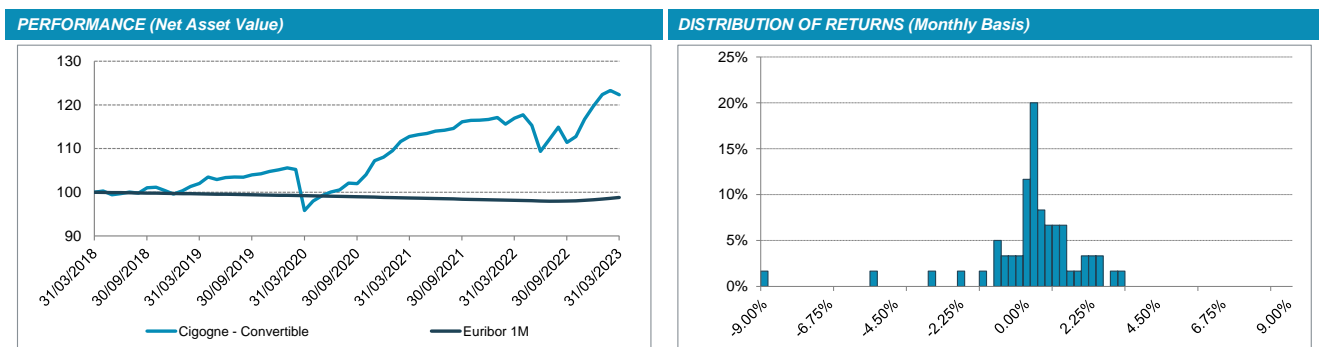


Assets Under Management : 317 685 459.93 €

Net Asset Value (O Shares) : 29 182.31 €

PERFORMANCES													
	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2023	2.22%	0.77%	-0.77%										2.20%
2022	0.41%	-1.32%	1.18%	0.68%	-2.05%	-5.17%	2.51%	2.50%	-3.03%	1.22%	3.49%	2.56%	2.62%
2021	1.37%	1.89%	1.02%	0.37%	0.27%	0.45%	0.20%	0.34%	1.32%	0.29%	0.05%	0.12%	7.95%
2020	0.44%	-0.37%	-8.93%	2.27%	1.27%	0.80%	0.49%	1.56%	-0.12%	2.04%	3.05%	0.79%	2.77%
2019	0.74%	0.98%	0.69%	1.47%	-0.56%	0.44%	0.10%	-0.04%	0.55%	0.23%	0.50%	0.36%	5.58%

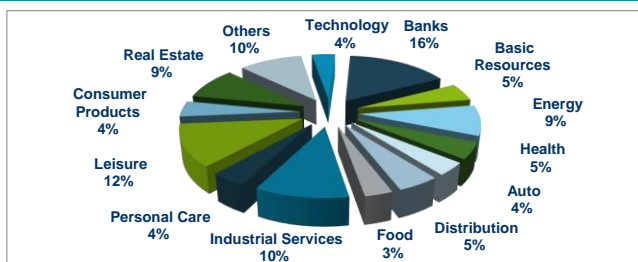
PORTFOLIO STATISTICS FOR 5 YEARS / SINCE 31/07/2006						
	Cigogne Convertible Arbitrage		Euribor 1M		HFRX Global Hedge Fund EUR Index	
	5 years	From Start	5 years	From Start	5 years	From Start
Cumulative Return	22.34%	191.82%	-1.19%	14.20%	-6.57%	-8.64%
Annualised Return	4.11%	6.25%	-0.24%	0.75%	-1.35%	-0.51%
Annualised Volatility	6.34%	12.78%	0.20%	0.44%	4.94%	5.55%
Sharpe Ratio	0.69	0.43	-	-	-0.22	-0.23
Sortino Ratio	0.90	0.57	-	-	-0.31	-0.30
Max Drawdown	-9.26%	-55.59%	-2.03%	-2.87%	-12.84%	-25.96%
Time to Recovery (m)	8	23	> 7	> 7	13	> 36
Positive Months (%)	76.67%	75.00%	11.67%	57.55%	48.33%	56.60%



INVESTMENT MANAGERS' COMMENTARY

The monthly performance of the Cigogne Convertible fund was -0.77%. March was marked by the banking crisis that began in the United States with a series of banks collapsing, including Silvergate Bank, Signature Bank, and, in particular, Silicon Valley Bank. This latter had \$175 billion in deposits and its closure was the largest bank failure since the 2008 crisis, sending shock waves through the financial markets. This instability extended into Europe after Credit Suisse's main shareholder, the Saudi National Bank, announced that it would not provide the Swiss bank with more funding in the event of further difficulties. The fear that it would spread to the entire banking system created a wave of panic regarding bank securities as well as on all risky assets. However, investors have been reassured by the quick reactions to bank failures seen in both the US and Europe. In parallel, central banks continued their monetary tightening strategies with rate increases of 50 bps by the ECB and 25 bps by the Fed. Financial credit indices stalled with the 5-year European iTraxx S38 senior financial index up 4 bps and the 5-year European iTraxx S38 subordinated financial index up 20 bps. This resurgence of risk aversion has impacted the Convertible sub-fund, which has experienced a moderate decline this month. The banking crisis has particularly affected our financial securities, notably Contingent Convertible Bonds (AT1). The entire asset class was pulled down by systemic risk from the announcement of the Credit Suisse AT1 CoCo write-down and the non-compliance with the bail-in participation order (AT1 holders should have benefited from more favourable treatment than shareholders), before gradually recovering at month-end. Nevertheless, the quality of our positions and our hedging strategies on the Euro Stoxx Banks and iTraxx credit indices representing European financial subordinated securities have helped to cushion the effects of this high volatility. We also took advantage of these movements to adjust the portfolio. The Renault 06/2025 basic arbitrage strategy was completely removed because the performance targets had been met. It has been replaced by a new strategy on the Commerzbank 02/2033 C27 bond, covered by purchase protection (CDS) against the issuer. We also participated in the primary-market issue of the Wendel/Bureau Veritas exchangeable, which has a truly mixed profile. Furthermore, we swapped part of our Worldline 07/2025 convertibles for Worldline 07/2026 convertibles to profit from a higher compensation potential. Finally, our High Yield portfolio has been strengthened by the Tapra 5.625% 12/2024 bond of the airline wholly owned by the Portuguese State.

ASSET BREAKDOWN



CORRELATION MATRIX

	Cigogne Convertible Arbitrage	Euribor 1M	HFRX Global Hedge Fund EUR Index
Cigogne Convertible	100.00%	15.73%	70.77%
Euribor 1M	15.73%	100.00%	-5.44%
HFRX HF Index	70.77%	-5.44%	100.00%

CIGOGNE FUND

Convertible Arbitrage

31/03/2023



INVESTMENT OBJECTIVES

The Convertible sub-fund is mainly built on convertible bonds arbitrage strategies. These take advantage of market anomalies that may occur between the various components of a convertible bond, namely the interest rate risk, the credit risk and the various risks related to the conversion option (equity risk, volatility, etc.).

Usually, this type of strategy consists in buying a convertible bond, hedging the equity risk by shorting the underlying, hedging the interest rate risk with a swap or with interest rate futures and, if necessary, buying the Credit Default Swap (CDS) on the credit-exposed portion. The Convertible sub-fund may benefit as well from some positions on High Yield segment.

The portfolio is composed of a high number of strategies, about 150 in average, that offer a large geographical and sectoral diversification.

MAIN EXPOSURES (In percentage of gross asset base)

CARREFOUR	3.12%
ADNOC	2.25%
AIR FRANCE-KLM	2.07%
UBISOFT	1.84%
WORLDLINE	1.50%

FUND SPECIFICS

Net Asset Value :	317 685 459.93 €
Net Asset Value (O Units) :	58 181 189.92 €
Liquidative Value:	29 182.31 €
ISIN Code :	LU0648560570
Legal Structure :	FCP - SIF, AIF
Inception Date of the fund :	31 July 2005
Inception Date (O Units) :	31 July 2005
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% per annum
Performance Fee :	20% above Euribor 1M with a High Water Mark

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:	KPMG 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 CONVERTIBLE 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 - Convertible Arbitrage aims to achieve stable and positive performances over time, uncorrelated from traditional asset classes by setting up convertible bond and mandatories arbitrage 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

