

# CIGOGNE FUND

## Convertible Arbitrage

31/07/2023



Assets Under Management :

304 203 739.55 €

Net Asset Value (O Shares) : € 30 230.79

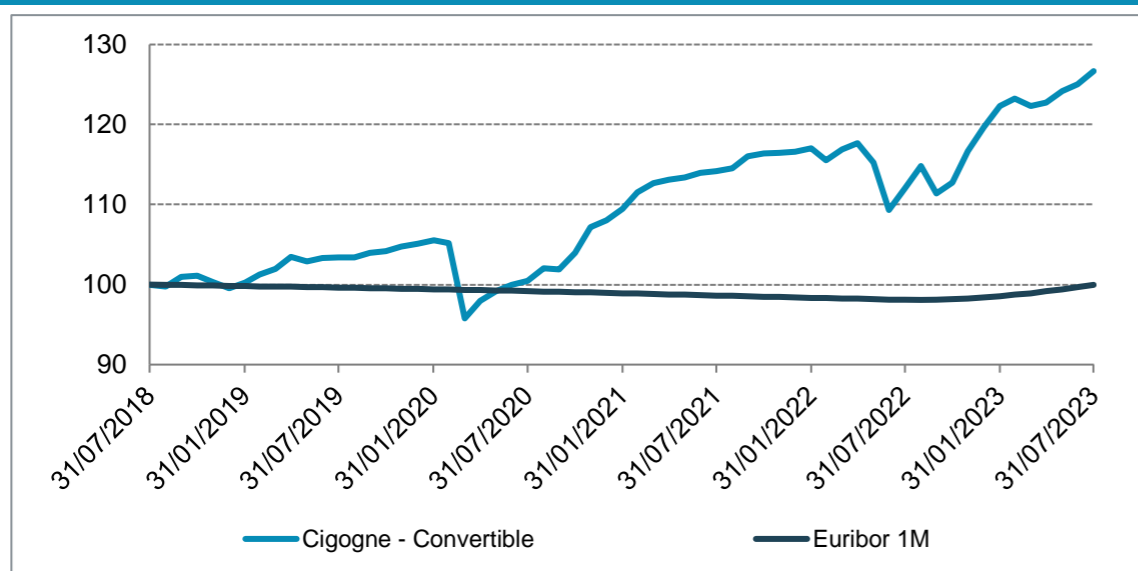
### PERFORMANCES

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2023	2.22%	0.77%	-0.77%	0.38%	1.16%	0.66%	1.34%						5.88%
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%

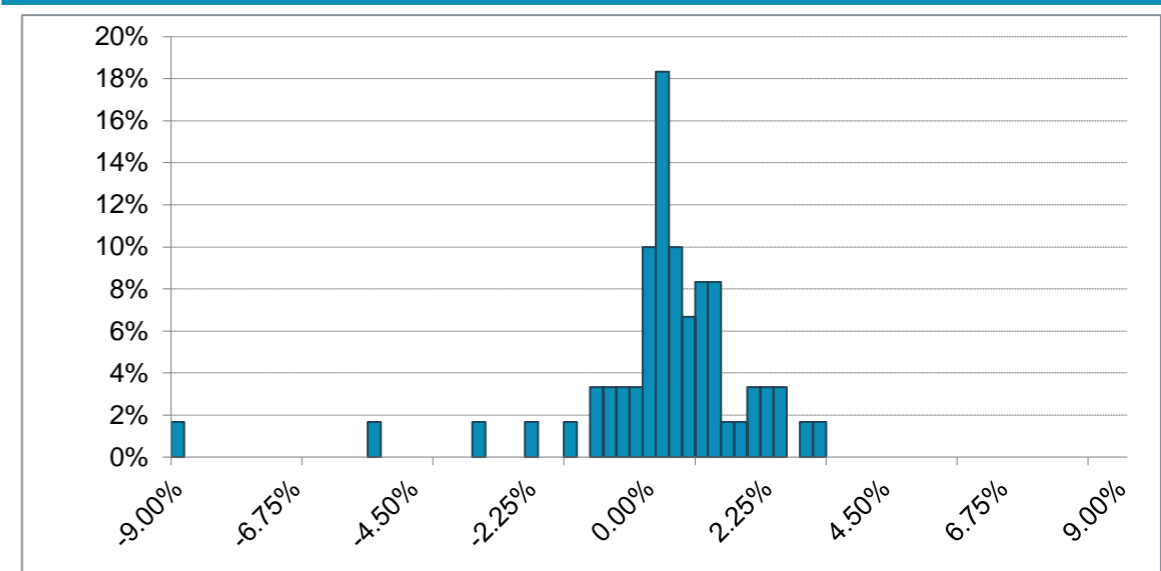
### PORTFOLIO STATISTICS FOR 5 YEARS / SINCE 31/07/2006

	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	26.68%	202.31%	-0.04%	15.39%	-5.13%	-8.21%
Annualised Return	4.84%	6.33%	-0.01%	0.80%	-1.05%	-0.47%
Annualised Volatility	6.34%	12.67%	0.31%	0.45%	4.96%	5.50%
Sharpe Ratio	0.76	0.44	-	-	-0.21	-0.23
Sortino Ratio	1.01	0.58	-	-	-0.29	-0.30
Max Drawdown	-9.26%	-55.59%	-1.91%	-2.87%	-12.07%	-25.96%
Time to Recovery (m)	8	23	> 11	> 11	13	> 40
Positive Months (%)	78.33%	75.46%	18.33%	58.33%	51.67%	56.94%

### PERFORMANCE (Net Asset Value)



### DISTRIBUTION OF RETURNS (Monthly Basis)



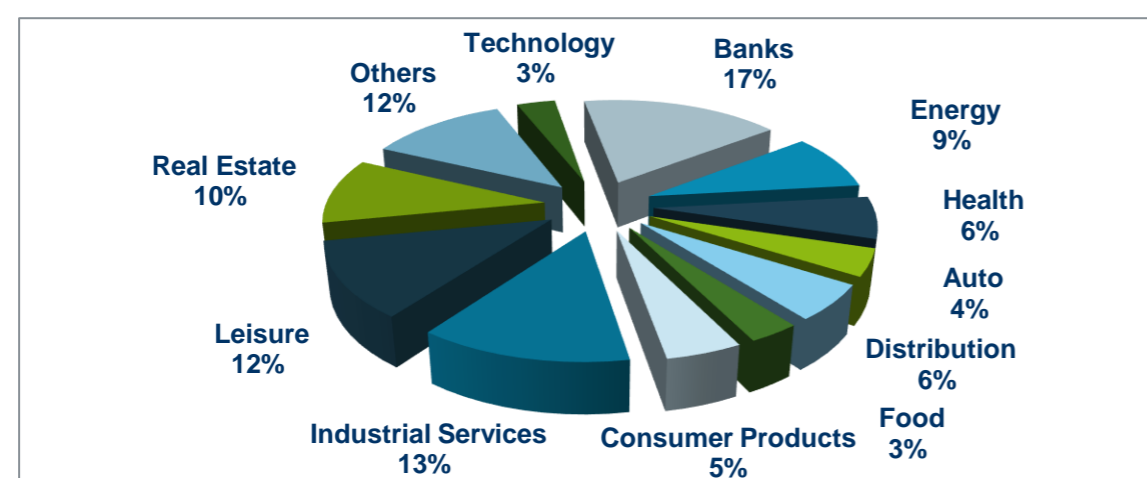
### INVESTMENT MANAGERS' COMMENTARY

The Cigogne Convertible fund gained +1.34% during the month.

Investor sentiment remained positive in July following the release of numerous economic data and central bank communications. As expected, the European Central Bank raised rates by 25 basis points at its 27 July meeting. While the institution did not commit to future actions, ECB President Christine Lagarde was less restrictive than usual. The latter follows the publication of July's PMI indices, which showed a sharper-than-expected annual slowdown and a contraction in activity for the second month running. The Federal Reserve also raised its main policy rate by 25 basis points to 5.50%, in line with market expectations. Fed Chairman J. Powell said the September decision would be guided by data releases. Markets are expecting this latest hike to be the culmination of monetary tightening, given the surprise declines in headline and core inflation figures. This optimism has once again driven a boost in equity indices, with the Euro Stoxx 50 gaining 1.64% over the month and the S&P 500 up 3.11%. Regarding European and American credit indices, the Investment Grade indices tightened by 6 and 3 basis points and the High Yield indices by 20 and 21 points.

The Convertible sub-fund has kept up its momentum over the last few months and has recorded a strong monthly performance. Most of our positions performed well, including our CoCos portfolio, which has continued to grow. Among the specific positions, our Ubisoft convertible 09/2024, from the French video game publisher, appreciated following the publication of quarterly sales, which revealed that sales figures were higher than expected. German property is also looking healthier and is showing more favourable prospects, which has particularly benefitted our Tag Immo 06/26 and Leg Immo 06/28 convertible bonds. In terms of portfolio renewal, we have implemented strategies for the Deutsche Post 06/25 convertible bond and the Qiagen pharmaceutical company's 12/27 convertible bond, with attractive implied volatility levels. Finally, we took profit from some of our Selena/Puma exchangeable bonds following a sharp tightening of this issuer's credit spread.

### ASSET BREAKDOWN



### CORRELATION MATRIX

	Cigogne Convertible Arbitrage	Euribor 1M	HFRX Global Hedge Fund EUR Index
Cigogne Convertible	100.00%	15.33%	70.66%
Euribor 1M	15.33%	100.00%	-0.53%
HFRX HF Index	70.66%	-0.53%	100.00%

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### 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.

### FUND SPECIFICS

<b>Net Asset Value :</b>	€	<b>304 203 739.55</b>
<b>Net Asset Value (O Units) :</b>	€	<b>61 962 656.34</b>
<b>Liquidative Value:</b>	€	<b>30 230.79</b>
<b>ISIN Code :</b>		<b>LU0648560570</b>
<b>Legal Structure :</b>		<b>FCP - SIF, AIF</b>
<b>Inception Date of the fund :</b>		<b>31 July 2005</b>
<b>Inception Date (O Units) :</b>		<b>31 July 2005</b>
<b>Currency :</b>		<b>EUR</b>
<b>NAV calculation date :</b>		<b>Monthly, last calendar day of the month</b>
<b>Subscription / redemption :</b>		<b>Monthly</b>
<b>Minimum Commitment:</b>	€	<b>125 000.00</b>
<b>Minimum Notice Period:</b>		<b>1 month</b>

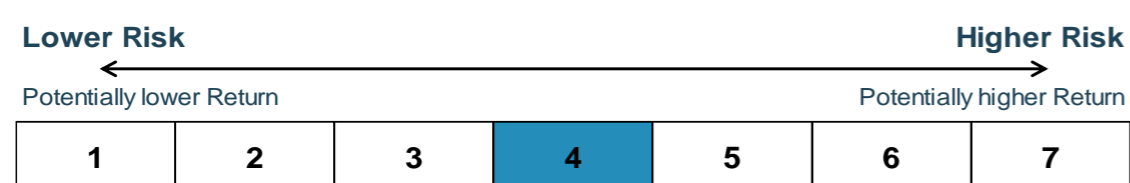
### MAIN EXPOSURES (In percentage of gross asset base)

ADNOC	3.41%
AIR FRANCE-KLM	2.04%
UBISOFT	2.01%
ZALANDO SE	1.69%
WORLDLINE	1.57%

<b>Management Fee:</b>	<b>1,50% per annum</b>
<b>Performance Fee :</b>	<b>20% above €STR with a High Water Mark</b>

<b>Country of Registration :</b>	<b>FR, LU</b>
<b>Management Company:</b>	<b>Cigogne Management SA</b>
<b>Investment Advisor:</b>	<b>CIC Marchés</b>
<b>Depositary Bank:</b>	<b>Banque de Luxembourg</b>
<b>Administrative Agent:</b>	<b>UI efa</b>
<b>Auditor:</b>	<b>KPMG Luxembourg</b>

### 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

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