

CIGOGNE FUND

Convertible Arbitrage

31/01/2024

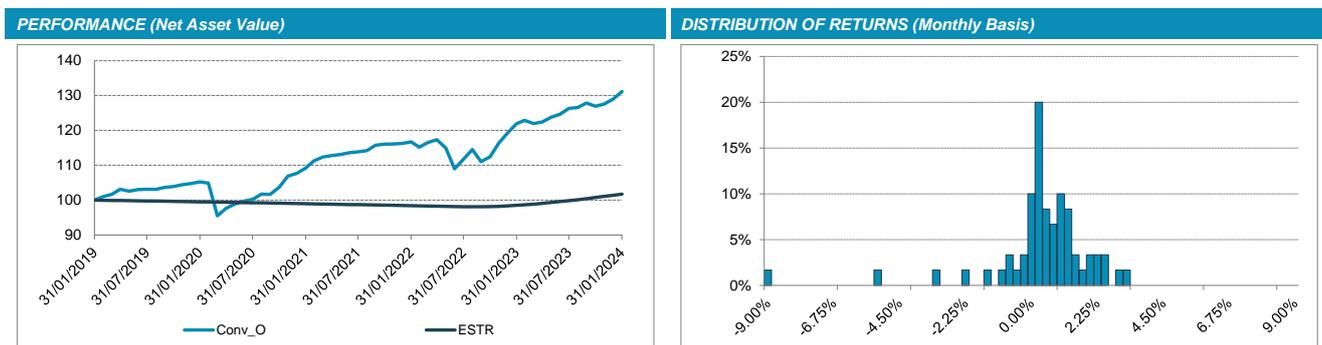


Assets Under Management : 290 137 275.19 €

Net Asset Value (O Unit) : 31 386.75 €

PERFORMANCES													
	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2024	1.68%												1.68%
2023	2.22%	0.77%	-0.77%	0.38%	1.16%	0.66%	1.34%	0.19%	1.03%	-0.73%	0.48%	1.13%	8.11%
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%

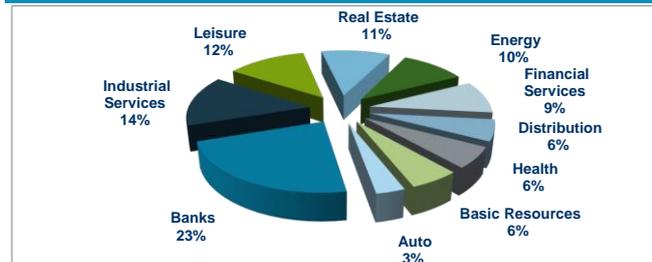
PORTFOLIO STATISTICS FOR 5 YEARS / SINCE 31/07/2006						
	Cigogne Convertible Arbitrage		ESTR		HFRX Global Hedge Fund EUR Index	
	5 years	From Start	5 years	From Start	5 years	From Start
Cumulative Return	31.16%	213.87%	1.72%	13.99%	1.92%	-6.91%
Annualised Return	5.57%	6.37%	0.34%	0.71%	0.38%	-0.39%
Annualised Volatility	6.33%	12.50%	0.45%	0.44%	4.56%	5.44%
Sharpe Ratio	0.83	0.45	-	-	0.01	-0.20
Sortino Ratio	1.08	0.60	-	-	0.01	-0.26
Max Drawdown	-9.26%	-55.59%	-1.87%	-3.38%	-8.35%	-25.96%
Time to Recovery (m)	8	23	11	16	> 3	> 46
Positive Months (%)	81.67%	75.68%	26.67%	50.90%	55.00%	57.21%



INVESTMENT MANAGERS' COMMENTARY

The performance for Cigogne Fund – Convertible Arbitrage stood at +1.68%. Throughout January, investors' eyes were firmly fixed on the many economic statistics being published. US job creation figures for December, released at the beginning of the month, far exceeded expectations, with 216,000 jobs created instead of the 175,000 anticipated. Moreover, the first estimate of US GDP for Q4–2023 also surpassed the consensus, posting an impressive annualised growth rate of 3.3% instead of the 2% forecast. These economic data confirm the robustness of the US economy and further reduce the risk of recession. This resilience should encourage the Fed to take a cautious approach to any future cuts in key rates in order to sustainably bring inflation back to its target. In Europe, the ECB kept its rates unchanged as expected. Some ECB members raised the possibility of an initial rate cut, but future decisions will be guided by inflation figures, particularly core inflation. Although very optimistic at the end of the year, these economic data led the market to slightly reduce its expectations of rate cuts for 2024, with the first move expected in the second quarter. German and US 10-year yields consequently rose by 14 bps and 3 bps respectively over the month, while equity markets gained 2.81% for the Euro Stoxx 50 and 1.59% for the S&P 500. Credit spreads remained broadly stable, apart from a slight spread of 17 bps for the index grouping European High Yield names. The Convertible sub-fund started the year with strong performance. Most of our positions were well placed, particularly those in the finance portfolio, which appreciated throughout the month. We took advantage of new opportunities to readjust our CoCos positions. First, we increased our exposure to Barclays 8.875% Call 27. Secondly, we made an intra-issuer CoCos switch from Rabobank 4.625% Call 25 to Rabobank 4.375% Call 27 in order to benefit from a better reset and a more attractive spread. Finally, the 7% UBS CoCo was called by the issuer as anticipated. Exposure to the Selena/Puma 25/06/2025 exchangeable bond was increased in order to take advantage of the attractive yield potential on this quality issuer. In the corporate names portfolio, we took part in the green primary issue of Mundys 4.75% 01/2029 by the Italian transport company and increased our mixed position in the SPIE 2% 01/2028 convertible at an attractive level of implied volatility. Finally, we took advantage of rumours of a partial sale of Maxeda's activities to sell our position in the 5.875% 01/26 bond at a high price.

ASSET BREAKDOWN	CORRELATION MATRIX																
	<table border="1"> <thead> <tr> <th></th> <th>Cigogne Convertible Arbitrage</th> <th>ESTR</th> <th>HFRX Global Hedge Fund EUR Index</th> </tr> </thead> <tbody> <tr> <th>Cigogne Convertible</th> <td>100.00%</td> <td>11.95%</td> <td>75.15%</td> </tr> <tr> <th>ESTR</th> <td>11.95%</td> <td>100.00%</td> <td>2.63%</td> </tr> <tr> <th>HFRX HF Index</th> <td>75.15%</td> <td>2.63%</td> <td>100.00%</td> </tr> </tbody> </table>		Cigogne Convertible Arbitrage	ESTR	HFRX Global Hedge Fund EUR Index	Cigogne Convertible	100.00%	11.95%	75.15%	ESTR	11.95%	100.00%	2.63%	HFRX HF Index	75.15%	2.63%	100.00%
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INVESTMENT OBJECTIVES	FUND SPECIFICS										
<p>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.).</p> <p>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.</p> <p>The portfolio is composed of a high number of strategies, about 150 in average, that offer a large geographical and sectoral diversification.</p>	<p>Net Asset Value : € 290 137 275.19 Net Asset Value (O Unit) : € 55 162 338.67 Liquidative Value (O Unit) : € 31 386.75 ISIN Code : LU0648560570 Legal Structure : FCP - SIF, AIF Inception Date of the fund : July 31st 2005 Inception Date (O Unit) : July 31st 2005 Currency : EUR NAV calculation date : Monthly, last calendar day of the month Subscription / redemption : Monthly Minimum Commitment: € 125 000.00 Minimum Notice Period: 1 month</p> <p>Management Fee: 1,50% per annum Performance Fee : 20% above €STR with a High Water Mark</p> <p>Country of Registration : FR, LU Management Company: Cigogne Management S.A. Investment Advisor: CIC Marchés Depository Bank: Banque de Luxembourg Administrative Agent: UI efa Auditor: KPMG Luxembourg</p>										
MAIN EXPOSURES (In percentage of gross asset base)											
<table border="1"><tbody><tr><td>ADNOC</td><td>3.98%</td></tr><tr><td>SELENA</td><td>1.67%</td></tr><tr><td>ELM BV</td><td>1.67%</td></tr><tr><td>WENDEL</td><td>1.65%</td></tr><tr><td>POSEIDON</td><td>1.58%</td></tr></tbody></table>	ADNOC	3.98%	SELENA	1.67%	ELM BV	1.67%	WENDEL	1.65%	POSEIDON	1.58%	
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RISK PROFILE							
<p>Lower Risk ← Higher Risk</p> <p>Potentially lower Return → Potentially higher Return</p> <table border="1"><tbody><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr></tbody></table> <p>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.</p>	1	2	3	4	5	6	7
1	2	3	4	5	6	7	

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.

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