

CIGOGNE CLO

Europe Arbitrage

31/01/2024

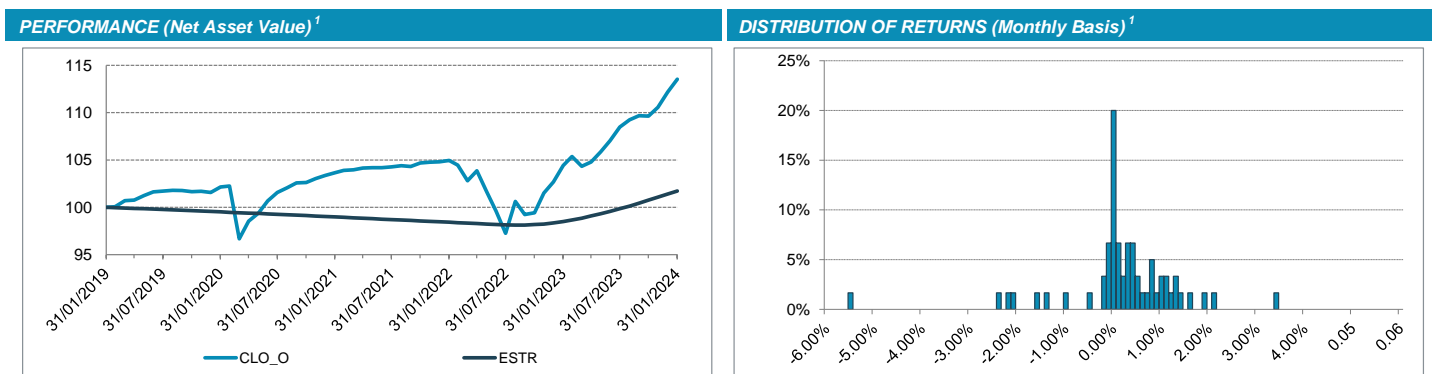


Assets Under Management : 134 558 840.29 €

Net Asset Value (O share) : 10 607.65 €

PERFORMANCES													
	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2024	1.20%												1.20%
2023	1.68%	0.91%	-0.97%	0.43%	1.03%	1.11%	1.36%	0.71%	0.39%	-0.04%	0.86%	1.46%	9.25%
2022	0.15%	-0.49%	-1.57%	1.01%	-2.12%	-2.02%	-2.35%	3.45%	-1.38%	0.19%	2.10%	1.16%	-2.02%
2021	0.28%	0.23%	0.07%	0.17%	0.04%	-0.01%	0.09%	0.12%	-0.07%	0.34%	0.07%	0.05%	1.40%
2020	0.57%	0.10%	-5.45%	1.92%	0.87%	1.30%	0.89%	0.49%	0.50%	0.03%	0.41%	0.31%	1.77%

PORTFOLIO STATISTICS SINCE 11/24/2015 ¹						
	Cigogne CLO Arbitrage Europe		ESTR		HFRX Global Hedge Fund EUR Index	
	5 years	From Start	5 years	From Start	5 years	From Start
Cumulative Return	13.53%	15.98%	1.72%	0.37%	1.92%	-4.01%
Annualised Return	2.57%	1.83%	0.34%	0.05%	0.38%	-0.50%
Annualised Volatility	4.21%	3.36%	0.45%	0.36%	4.56%	4.40%
Sharpe Ratio	0.53	0.53	-	-	0.01	-0.12
Sortino Ratio	0.74	0.74	-	-	0.01	-0.17
Max Drawdown	-7.34%	-7.34%	-1.87%	-3.18%	-8.35%	-16.29%
Time to Recovery (m)	7	7	11	15	> 3	> 46
Positive Months (%)	76.67%	71.43%	26.67%	16.33%	55.00%	57.14%



¹ Performance and risk measures for the period prior to July 2023 are calculated on the basis of the performance of A units(non-investable).

INVESTMENT MANAGERS' COMMENTARY

The performance of the CLO Arbitrage fund was +1.20%.

The first month of the year saw an improvement in the macroeconomic environment on both sides of the Atlantic. The Eurozone avoided recession in 2023, with growth up by 0.5% compared with 2022. Some countries, such as Spain and Portugal, have managed to shine with growth figures of +2.5% and +2.3%, boosted by tourism and exports. For the Core countries, the picture is slightly different, particularly for Germany, Europe's leading economy, which ended the year with a slight decline of -0.30%. In parallel, on the inflation front, core inflation figures showed a slowdown from +3.6% to +3.4% on an annualised basis, while headline inflation was up as expected by the market, due to a less pronounced fall in energy and food prices. Central bankers followed suit, reaffirming that they were in no hurry to cut rates and that they were waiting for evidence that inflation was on a sustainable path towards 2%. As a result, 10-year sovereign yields widened by +11 and +14 bps for France and Germany (2.66% and 2.16% respectively). European IG credit held up well, particularly with the slight divergence seen on the Main. In the market for synthetic leveraged loans, the primary market picked up rapidly, as did the ABS segment. Several transactions took place for a volume of +€2.127 billion, including the two new transactions Tritinas CLO VI and Sound Point Euro CLO 10. These transactions were placed with AAA tranches against a spread of around 150–160 bps, for just over half the monthly volume. The remainder of the transactions consisted of refinancing (reset) transactions for which the non-call period has passed and for which the current spreads represent a good refinancing opportunity. Examples include vehicles managed by Palmer Square and Bain Capital. The secondary market was also active, with credit spreads tightening by 13 bps over the month (Source: Citigroup) to stand at +132.5 bps mid, which made a positive contribution to the sub-fund's performance this month.

ASSET BREAKDOWN		CORRELATION MATRIX												
<table border="1"><caption>Asset Breakdown Data</caption><thead><tr><th>Term</th><th>Percentage</th></tr></thead><tbody><tr><td>1-2 years</td><td>74%</td></tr><tr><td>0-1 year</td><td>15%</td></tr><tr><td>3-4 years</td><td>6%</td></tr><tr><td>4-5 years</td><td>5%</td></tr></tbody></table>		Term	Percentage	1-2 years	74%	0-1 year	15%	3-4 years	6%	4-5 years	5%			
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	Cigogne CLO Arbitrage Europe	ESTR	HFRX Global Hedge Fund EUR Index											
Cigogne CLO	100.00%	29.01%	64.05%											
ESTR	29.01%	100.00%	2.63%											
HFRX HF Index	64.05%	2.63%	100.00%											

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INVESTMENT OBJECTIVES		FUND SPECIFICS	
<p>The aim of the Cigogne CLO Arbitrage Europe compartment is to invest in European Collateralized Loan Obligations (CLO).</p> <p>Arbitrage strategies set forth in the Cigogne CLO Arbitrage Europe compartment consist in taking advantage of the credit component and the interest rate risk is systematically hedged. The portfolio is composed of prime CLO tranches with an average duration of less than 5 years and includes in average 30 positions.</p> <p>As opposed to an ABS' collateral, the loan portfolio of a CLO is actively managed in order to achieve its performance objectives. The collateral manager picks the underlying loans based on his credit analysis, within the scope of the portfolio's eligibility requirements.</p>		Net Asset Value :	€ 134 558 840.29
		Net Asset Value (O share) :	€ 328 523.02
		Liquidative Value (O share) :	€ 10 607.65
		ISIN Code :	LU0563588119
		Legal Structure :	SICAV - FIS, FIA
		Inception Date of the fund :	November 24 th 2015
		Inception Date (O share) :	July 1 st 2023
		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
MAIN EXPOSURES (In percentage of gross asset base)		Management Fee:	1,50% per annum
		Performance Fee :	20% above €STR with a High Water Mark
PSTET 2022-1X A EUR3+72 15/10/31	7.07%	Country of Registration :	FR, LU
AVOCA 17X ARR EUR3+82 15/10/32	6.67%	Management Company:	Cigogne Management SA
CADOG 8X ARR EUR3+82 15/04/32	6.41%	Investment Advisor:	CIC Marchés
EGLXY 2015-4X ARR EUR3 30/07/34	5.93%	Depository Bank:	Banque de Luxembourg
TIKEH 8X A EUR3+212 25/10/34	5.44%	Administrative Agent:	UI efa
		Auditor:	KPMG Luxembourg

Lower Risk

Potentially lower Return

Higher Risk

Potentially higher Return

1

2

3

4

5

6

7

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
<p>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.</p> <p>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).</p> <p>Cigogne CLO Arbitrage fund aims to achieve stable and positive performances over time, uncorrelated from traditional asset classes, by investing in European Collateralized Loan Obligations (CLO). The European CLO market offers an attractive risk/return profile and provides an alternative to "classic" credit funds, while preserving a certain liquidity.</p>

DISCLAIMER
<p>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.</p>

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