

CIGOGNE FUND

M&A Arbitrage
31/03/2020



Assets Under Management : 311 503 203.19 €

Net Asset Value (O Shares) : 40 377.33 €

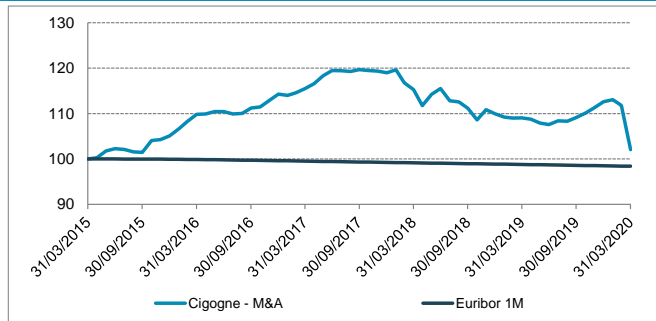
PERFORMANCES

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2020	0.41%	-1.12%	-8.71%										-9.36%
2019	-0.66%	-0.19%	0.03%	-0.24%	-0.81%	-0.32%	0.77%	-0.06%	0.73%	0.90%	1.11%	1.17%	2.43%
2018	0.54%	-2.39%	-1.31%	-3.03%	2.21%	1.12%	-2.32%	-0.25%	-1.23%	-2.31%	2.09%	-0.83%	-7.60%
2017	-0.25%	0.47%	0.84%	0.90%	1.51%	0.99%	-0.05%	-0.11%	0.32%	-0.17%	-0.09%	-0.31%	4.11%
2016	1.46%	1.52%	1.45%	0.09%	0.47%	-0.01%	-0.48%	0.13%	1.08%	0.23%	1.22%	1.30%	8.75%

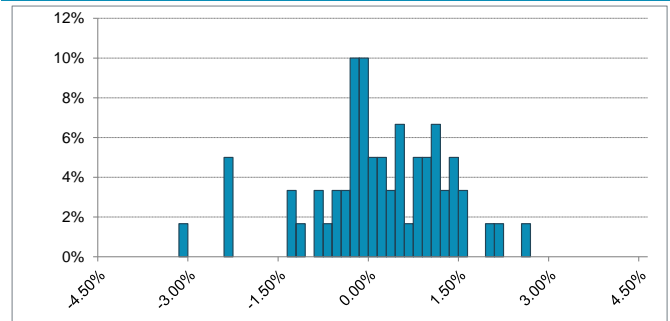
PORTFOLIO STATISTICS SINCE 31/12/2004 AND FOR 5 YEARS

	Cigogne M&A 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	2.07%	303.27%	-1.60%	16.12%	-16.38%	-15.41%	12.64%	163.46%	2.24%	69.03%
Annualised Return	0.41%	9.57%	-0.32%	0.98%	-3.51%	-1.09%	2.41%	6.55%	0.44%	3.50%
Annualised Volatility	5.53%	10.27%	0.03%	0.45%	4.77%	5.74%	13.43%	13.05%	4.16%	3.85%
Sharpe Ratio	0.13	0.84	-	-	-0.67	-0.36	0.20	0.43	0.18	0.65
Sortino Ratio	0.17	2.17	-	-	-0.80	-0.46	0.30	0.67	0.23	1.01
Max Drawdown	-14.71%	-14.71%	-1.60%	-1.60%	-16.63%	-25.96%	-19.69%	-48.81%	-7.72%	-7.72%
Time to Recovery (m)	-	-	> 1	> 1	-	-	-	48	-	-
Positive Months (%)	55.00%	74.86%	0.00%	66.67%	55.00%	57.38%	60.00%	63.93%	51.67%	61.20%

PERFORMANCE (Net Asset Value)



DISTRIBUTION OF RETURNS (Monthly Basis)



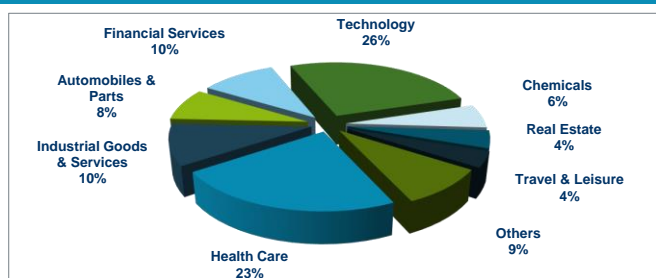
INVESTMENT MANAGERS' COMMENTARY

During March, the risk-off environment associated with the spread of the Covid-19 epidemic resulted in large-scale movements on the equity markets. The M&A sphere, despite its resilience in times of market stress, was not spared the pressure to sell, as evidenced by the main indices hitting record lows. This very unusual situation is due to the phenomena of forced cuts, or even surrenders, among certain players in our segment. The market beta of M&A positions thus approached 100% mid-month, before returning to less extreme levels in the last week.

In this very complicated climate, the majority of discounts in the portfolio widened in March, although no portfolio transactions have been called into question at the moment. However, the government measures announced regarding the closure of non-essential businesses particularly impacted our strategies on the Cineplex/Cineworld cinema operators and Caesars Entertainment/Eldorado Resorts casino operators. Furthermore, the privatisation of Tallgrass Energy was disrupted by the very sharp fall in oil prices in the wake of the failed negotiations between Saudi Arabia and Russia. Having reviewed the merger agreements for each of these deals and the marked interest of the buyers in these targets, and taking into account our balanced composition, these strategies were retained.

However, as spreads widened to record levels, the M&A segment continued to make headway, as evidenced by the bids made by the insurance company Aon on its competitor Willis Towers Watson for \$31 billion or by Thermo Fischer Scientific on biotech company Qiagen for €10 billion. Moreover, progress was made on major deals during the period. Showa Denko launched its tender bid on Hitachi Chemical following approval from the competition authorities and Allergan, AbbVie and the FTC entered into a Divestiture Consent Decree to determine the divestments required for the acquisition to be finalised. These were approved by the European Commission at the beginning of March and FTC approval is now expected in the coming weeks. Over the month, the completion of significant transactions such as Aircastle, Instructure and Pattern Energy is testament to the fact that merger approval procedures are still progressing, although they may sometimes be slower. Our portfolio, primarily based on transactions with strong industrial interest and short maturities, is expected to benefit from a return of market stability and from positive news regarding the health crisis, to continue the upturn that started at the end of the month.

ASSET BREAKDOWN



CORRELATION MATRIX

	Cigogne M&A	Euribor 1M	HFRX HF Index	MSCI World Index	Markit iBx Corp. Index
Cigogne M&A	100%	-15%	63%	50%	56%
Euribor 1M	-15%	100%	-37%	-29%	-35%
HFRX HF Index	63%	-37%	100%	83%	64%
MSCI World Index	50%	-29%	83%	100%	60%
Markit iBx Corp. Index	56%	-35%	64%	60%	100%

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INVESTMENT OBJECTIVES

The choice of the assets is guided by an arbitration of mergers and/or acquisitions, consisting in benefiting from the price differences, which can appear at the time of takeover bids or exchange. Based on a solid and detailed analysis of the economic, legal and competitive frameworks, initiated operations are mainly held until the finalization of the offer. The portfolio only focuses on declared M&A situations. Initiated strategies consist in acquiring shares of the target company (cash offer) and selling shares of the acquirer (stock, cash and stock offer) or conversely if we expect the bid to fail. The sub-fund may also develop strategies on corporate action arbitrage such as preferential subscription rights.

FUND SPECIFICS

Net Asset Value :	311 503 203.19 €
Net Asset Value (O Units) :	35 023 558.27 €
Liquidative Value:	40 377.33 €
ISIN Code :	LU0648563830
Legal Structure :	FCP - SIF, AIF
Inception Date of the fund :	November 16th 2004
Inception Date (O Units) :	November 16th 2004
Currency :	EUR
NAV calculation date :	Monthly, last calendar day of the month
Subscription / redemption :	Monthly
Minimum Commitment:	1 000 000.00 €
Minimum Notice Period:	1 month

MAIN EXPOSURES (In percentage of gross asset base)

ALLERGAN / ABBVIE	11.22%
WABCO HOLDINGS	5.76%
TIFFANY & CO	5.72%
HITACHI CHEMICAL	5.22%
TECH DATA	4.50%

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

Lower Risk							Higher Risk
Potentially lower Return							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 M&A 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 - M&A Arbitrage aims to achieve stable and positive performances over time, uncorrelated from traditional asset classes by setting up arbitrage strategies taking advantage of disrupted and modified interest rate curves.

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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