

CIGOGNE UCITS

M&A Arbitrage

Monthly Factsheet - January 2024



Assets Under Management :

80 234 932 €

Net Asset Value - C1 Shares :

1 157.50 €

INVESTMENT OBJECTIVES

The sub-fund's objective is to generate regular returns not correlated with the main market trends, in a context of risk controls. 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.

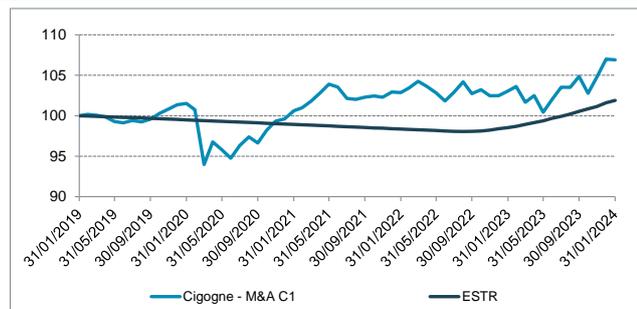
PERFORMANCES

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2024	-0.08%												-0.08%
2023	0.55%	0.55%	-1.88%	0.79%	-2.01%	1.58%	1.48%	-0.03%	1.31%	-1.98%	1.97%	2.10%	4.39%
2022	-0.06%	0.55%	-0.79%	-0.60%	-0.78%	-0.97%	1.07%	1.24%	-1.41%	0.47%	-0.72%	0.03%	-0.43%
2021	1.00%	0.37%	0.82%	0.96%	1.08%	-0.34%	-1.38%	-0.11%	0.26%	0.16%	-0.15%	0.62%	3.32%
2020	0.16%	-0.78%	-6.71%	2.97%	-1.00%	-1.09%	1.66%	1.09%	-0.76%	1.64%	1.12%	0.31%	-1.72%

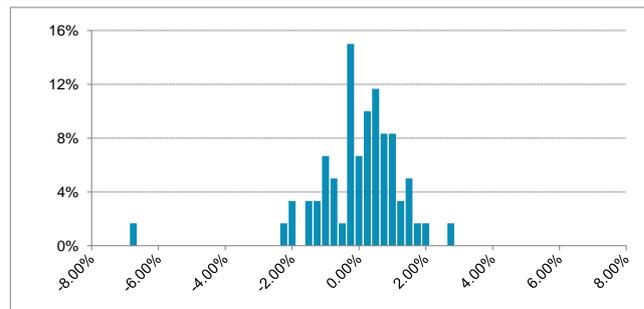
PORTFOLIO STATISTICS FOR 5 YEARS / SINCE 03/05/2013

	Cigogne M&A Arbitrage		ESTR		HFRU Hedge Fund Composite Index	
	5 years	From Start	5 years	From Start	5 years	From Start
Cumulative Return	6.91%	15.75%	1.89%	0.33%	2.19%	-5.73%
Annualised Return	1.34%	1.37%	0.38%	0.03%	0.43%	-0.55%
Annualised Volatility	5.83%	4.37%	0.22%	0.15%	4.51%	4.19%
Sharpe Ratio	0.17	0.31	-	-	0.01	-0.14
Sortino Ratio	0.23	0.43	-	-	0.02	-0.19
Max Drawdown	-12.86%	-18.29%	-1.95%	-3.52%	-11.47%	-19.68%
Time to Recovery (m)	12,46	> 47,54	11,08	16,15	8,54	> 47,54
Positive Months (%)	58.33%	65.89%	28.33%	20.93%	58.33%	55.81%

PERFORMANCE (NAV) FOR 5 YEARS



DISTRIBUTION OF MONTHLY RETURNS FOR 5 YEARS



INVESTMENT MANAGERS' COMMENTARY

Mergers and acquisitions activity got off to an interesting start in 2024 with the acquisition of software manufacturer Ansys by Synopsys, itself a software developer in the chip design segment. This takeover bid is worth \$33.4 billion and represents the biggest transaction in the technology sector since the Broadcom/Avago merger. However, our sector policies mean that we do not invest in certain companies, including those involved in the extraction of unconventional hydrocarbons. In January, three deals worth \$22.5 billion were excluded from our investment universe.

Macroeconomics, and in particular the uncertainty surrounding the start of monetary easing, remains a key driver of our activity. Across our portfolio, there was a global discount widening in the first month of the year, although no major concerns were raised about any specific names. The close-to-balance performance perfectly sums up a month in which the majority of issues were down, while a few transactions, on the other hand, made interesting progress. The main monthly gain was seen in the Amryt Pharmaceuticals strategy, finalised in April 2023. Under the terms of the offer made by Chiesi Farmaceuti, payment was accompanied by the receipt of optional Contingent Value Rights (CVRs), which could be valued if certain scenarios were met. Now that the assumptions needed to value the CVR have been validated, its value has risen sharply. Neighbourly Pharmacy shares also surged mid-month following the board's acceptance of Persistence Capital Partners' offer to take the Canadian independent pharmacy network private. The target had already been approached in October as part of the minority buyout. Conversely, the share price of fashion multinational Capri Holding fell in the second half of the month as we awaited the publication of its results and future developments in terms of antitrust. Finally, despite having received an offer of USD 29.50, Hollysys Automation Technologies stated that its special committee had maintained its recommendation to shareholders to vote in favour of the USD 26.50 offer from Ascendant Capital Partners, a shareholder holding 13.7% of the capital. According to the committee, this offer has a higher probability of success. As a result, the target's share price has fallen and is now trading at a non-speculative level. While a large number of strategies came to an end in the first few days of the year, we remained very active and, in particular, initiated a position in cancer treatment developer Immunogen as part of its takeover by AbbVie, and a position in Portuguese company Greenvolt-Energias Renovaveis following a proposal from KKR, which is seeking to expand its presence in renewable energies.

MAIN POSITIONS

TARGET	ACQUIRER	WEIGHT	PAYMENT TYPE	TARGET SECTOR	GEOGRAPHICAL ZONE
ADEVINTA	PRIVATE EQUITY	2.98%	Cash	Consumer Products	Scandinavia
KARUNA THERAPEUTICS	BRISTOL-MYERS SQUIBB	2.82%	Cash	Health Care	United States
CEREVEL THERAPEUTICS	ABBVIE	2.51%	Cash	Health Care	United States
OLINK HOLDING	THERMO FISHER SCIENTIFIC	2.38%	Cash	Health Care	United States
CAPRI HOLDINGS	CISCO SYSTEMS	2.28%	Cash	Retailers	United States

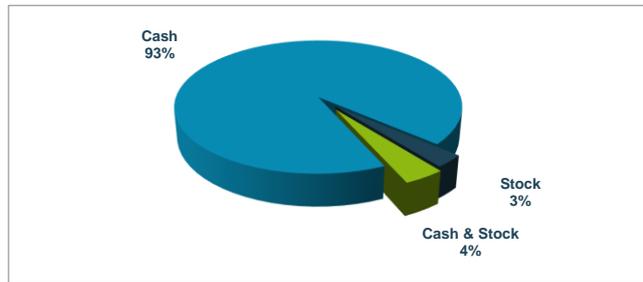
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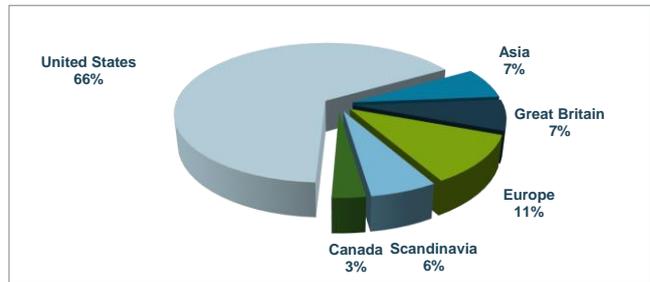
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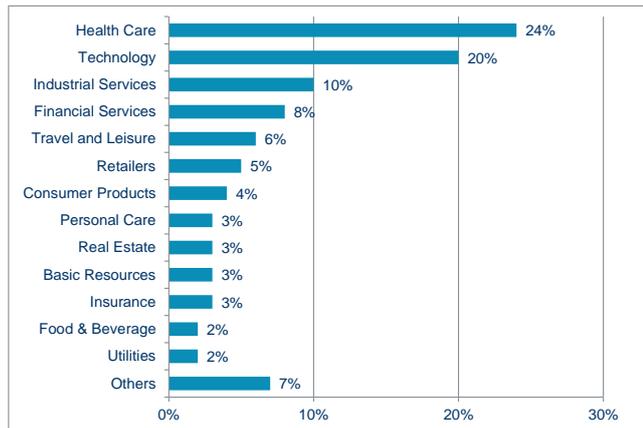
PAYMENT TYPE



GEOGRAPHICAL BREAKDOWN



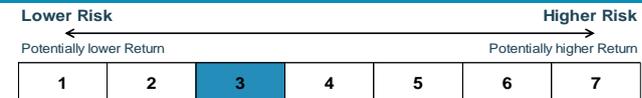
SECTORIAL BREAKDOWN



PORTFOLIO STATISTICS

Number of strategies	97
New strategies	26
Closed strategies	18
Time to completion (days)	83
Small Cap (<750 MUSD)	38%
Large Cap (>750 MUSD)	62%

RISK PROFILE



The risk category has been determined on the basis of historical and simulated 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.

CHARACTERISTICS

Management Company	Cigogne Management SA	ISIN code	LU0893376664
Advisor	CIC Marchés	Management Fee	1,50%
Domiciliation	Luxembourg	Performance Fees	20% above €STR with a High Water Mark
Fund's Inception Date	March 2013	Subscription Fee	Up to 2%
Legal Form	SICAV UCITS	Redemption Fee	None
Valuation	Weekly, every Friday	Minimum Subscription	EUR 1.000
Liquidity	Weekly	Subsequent Subscription	EUR 1.000
Cut-Off	2 Business Days	Country of Registration	LU, FR, BE, DE
Depository Bank	Banque de Luxembourg		
Administrative Agent	U 1 efa		
Auditor	KPMG Luxembourg		

DISCLAIMER

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