

CIGOGNE UCITS

M&A Arbitrage

Monthly Factsheet - November 2020



Assets Under Management : \$ 235 260 308 Net Asset Value - C3 Shares : \$ 1 139.74

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.

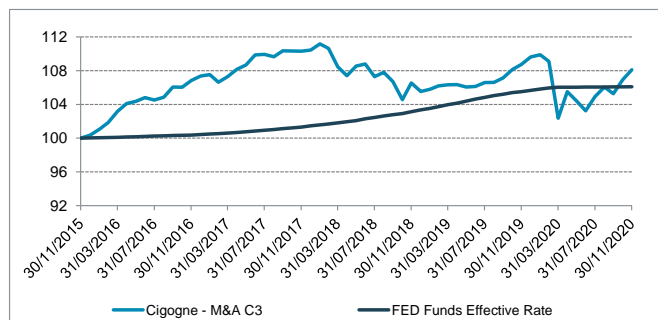
PERFORMANCES

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2020	0.25%	-0.73%	-6.17%	3.07%	-1.05%	-1.12%	1.62%	1.09%	-0.75%	1.60%	1.09%		-1.38%
2019	0.25%	0.38%	0.12%	0.03%	-0.28%	0.07%	0.43%	0.02%	0.50%	0.92%	0.59%	0.79%	3.88%
2018	0.66%	-0.49%	-1.96%	-0.98%	1.07%	0.23%	-1.38%	0.47%	-1.01%	-1.99%	1.88%	-0.95%	-4.45%
2017	0.17%	-0.85%	0.63%	0.79%	0.48%	1.10%	0.06%	-0.25%	0.64%	-0.03%	-0.01%	0.12%	2.87%
2016	0.70%	0.78%	1.30%	0.89%	0.25%	0.44%	-0.29%	0.33%	1.14%	-0.01%	0.74%	0.50%	6.96%

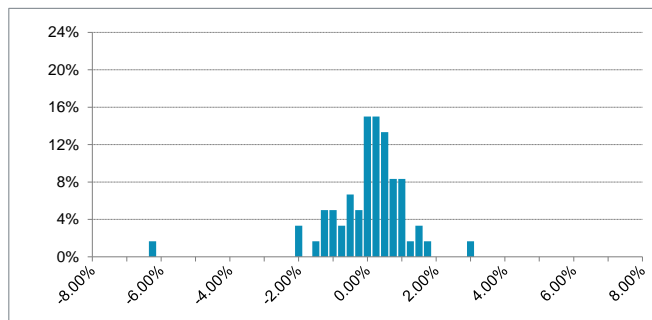
PORTFOLIO STATISTICS SINCE 04/04/2014

	Cigogne M&A Arbitrage		Fed Funds Effective Rate		HFRU Hedge Fund Composite USD Index		MSCI World AC TR USD Index		Markit iBoxx Corp. Index (USD Hedged)	
	For 5 Y.	From Start	For 5 Y.	From Start	For 5 Y.	From Start	For 5 Y.	From Start	For 5 Y.	From Start
Cumulative Return	8.11%	13.97%	6.14%	6.33%	11.88%	18.93%	68.01%	72.49%	22.57%	29.88%
Annualised Return	1.57%	1.98%	1.20%	0.93%	2.27%	2.64%	10.92%	8.54%	4.15%	4.01%
Annualised Volatility	5.44%	4.86%	0.11%	0.11%	4.84%	4.78%	16.76%	15.73%	3.37%	3.10%
Sharpe Ratio	0.07	0.22	-	-	0.22	0.36	0.58	0.48	0.88	0.99
Sortino Ratio	0.10	0.31	-	-	0.30	0.50	0.86	0.73	1.15	1.32
Max Drawdown	-13.40%	-13.40%	-	-	-11.05%	-11.05%	-31.39%	-31.39%	-7.77%	-7.77%
Time to Recovery (m)	> 8,54	> 8,54	-	-	> 8,54	> 8,54	5,54	5,54	5,31	5,31
Positive Months (%)	68.33%	71.25%	100.00%	100.00%	68.33%	70.00%	70.00%	65.00%	71.67%	71.25%

PERFORMANCE (NAV)



DISTRIBUTION OF MONTHLY RETURNS



INVESTMENT MANAGERS' COMMENTARY

The mergers and acquisitions market remained buoyant in November, supported in particular by the hope of stabilisation in the international environment following Joe Biden's election. In addition to a significant number of transactions, two jumbo deals were announced during the month. Firstly, Salesforce.com submitted an offer for Slack Technologies, the communications platforms developer, for around USD 26 billion. Secondly, in the financial information services segment, S&P Global announced the acquisition of IHS Markit for USD 44 billion, making this the largest transaction of the year. In this favourable environment, few discounts widened within the portfolio. In particular, several holdings experienced positive changes that helped to consolidate monthly performance. Firstly, the investor consortium composed of Pretium Partners and Ares Management increased its offer for the single-family housing operator Front Yard Residential. The rapid increase of 20% on the initial price was made to secure the approval of the target company's board following interest from another purchaser. Secondly, the merger of Taubman Centers and Simon Property Group, which had been called into question in June, had a favourable outcome. In fact, both parties found common ground to conclude the transaction at USD 43 per share, the day before the court hearing opened. The options strategy set up the previous month thus fully benefited the sub-fund. It should be noted that older strategies also strengthened performance. In the field of meal delivery, for example, the convergence of the spread of the Grubhub/Just Eat TakeAway.com transaction thus yielded an attractive capital gain. Given the relatively distant maturity of this transaction, we preferred to take our profits and thus release investment capacity at the end of the year. Finally, several large transactions in our portfolio have matured, generating significant gains. In fact, the tender offer payments on NTT DOCOMO in Asia and MyoKardia in the United States and the legal merger of Unilever entities based in London and Rotterdam were all profitable. To replace them, we opened short-term positions on HD Supply Holding and on Alstom Group as part of its capital increase required to finance the purchase of Canadian company Bombardier. Finally, investments were made on the Slack Technologies/Salesforce.com and Inphi/Marvell Technology Group mergers in anticipation of the coming year.

MAIN POSITIONS

TARGET	ACQUIRER	WEIGHT	PAYMENT TYPE	TARGET SECTOR	GEOGRAPHICAL ZONE
NTT DOCOMO SO	NIPPON TELEGRAPH	8.94%	Cash	Telecom	Asia
DUNKIN BRANDS	PRIVATE EQUITY	5.21%	Cash	Travel & Leisure	North America
ACACIA COMMUNICATIONS	CISCO SYSTEMS	4.02%	Cash	Technology	North America
ALIBABA	ALIBABA	3.08%	Cash & Stock	Financial Services	North America
VARIAN MEDICAL SYSTEMS	SIEMENS HEALTHLINEERS	3.00%	Cash	Health Care	North America

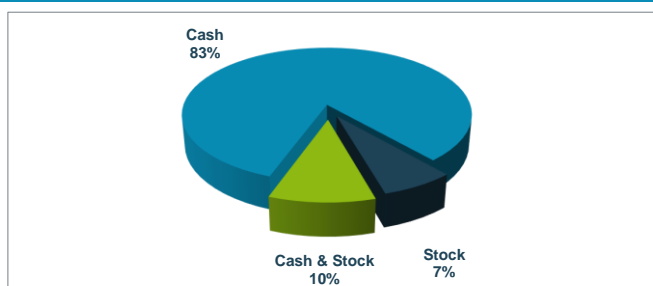
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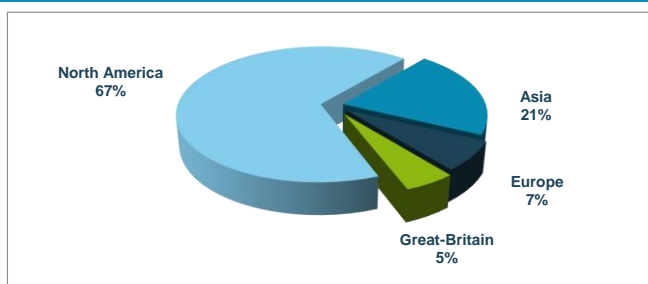
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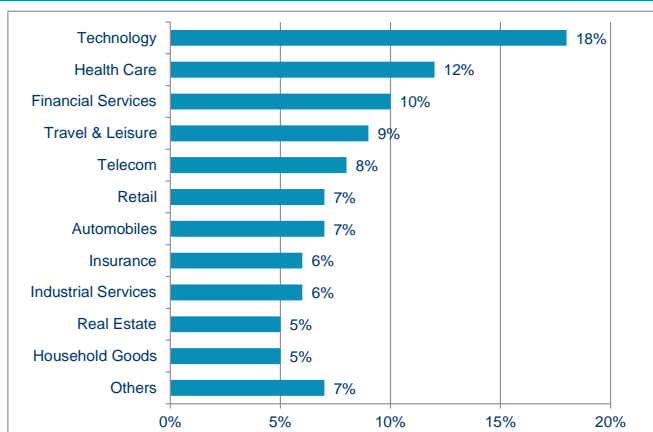
PAYMENT TYPE



GEOGRAPHICAL BREAKDOWN



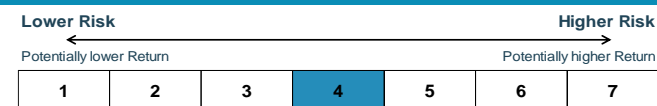
SECTORIAL BREAKDOWN



PORTFOLIO STATISTICS

Number of strategies	78
New strategies	22
Closed strategies	13
Time to completion (days)	92
Small Cap (< 500 MUSD)	19%
Large Cap (>500 MUSD)	81%

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	LU0893376821
Advisor	CIC Marchés	Management Fee	1,50%
Domiciliation	Luxembourg	Outperformance Fees	20% above Fed Funds capitalised
Fund's Inception Date	March 2013	Subscription Fee	4% maximum
Legal Form	SICAV UCITS	Redemption Fee	Not Applicable
Valuation	Weekly, every Friday	Minimum Subscription	USD 1.000
Liquidity	Weekly	Subsequent Subscription	USD 1.000
Cut-Off	2 Business Days	Country of Registration	LU, FR, BE, DE
Depository Bank	Banque de Luxembourg		
Administrative Agent	European Fund Administration		
Auditor	Deloitte Luxembourg		

DISCLAIMER

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