

**Annual report including audited financial statements
as at 31st December 2023**

CIGOGNE CLO ARBITRAGE

An investment company with variable share capital (SICAV) subject to the Luxembourg Law of 13th February 2007, as amended, relating to specialised investment funds

R.C.S. Luxembourg B156998



Alternative Investment Fund Manager: CIGOGNE MANAGEMENT S.A.
R.C.S. Luxembourg B 101 547

CIGOGNE CLO ARBITRAGE

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CIGOGNE CLO ARBITRAGE

Organisation

Registered Office	18, Boulevard Royal L-2449 LUXEMBOURG
Board of Directors of the SICAV	
Chairman	Georges VANDERMARLIERE CREDIT INDUSTRIEL ET COMMERCIAL (CIC) 6, Avenue de Provence F-75009 PARIS
Directors	Guillaume BINNENDIJK Member of the Executive Committee CIGOGNE MANAGEMENT S.A. 18, Boulevard Royal L-2449 LUXEMBOURG Joffrey CZURDA Member of the Executive Committee CIGOGNE MANAGEMENT S.A. 18, Boulevard Royal L-2449 LUXEMBOURG
Alternative Investment Fund Manager ("AIFM")	CIGOGNE MANAGEMENT S.A. 18, Boulevard Royal L-2449 LUXEMBOURG
Board of Directors of the AIFM	
Chairman	Pascal LE COZ Chairman CREDIT MUTUEL INVESTMENT MANAGERS 4, Rue Gaillon F-75002 PARIS
Directors	Clélia Marie CHASTAN BANQUE TRANSATLANTIQUE 17, Côte d'Eich L-1450 LUXEMBOURG Hugues DUBLY DUBLY TRANSATLANTIQUE GESTION 50, Boulevard de la Liberté F-59800 LILLE Jean-Louis LAURENS FINANCIÈRE DE MONTMÉJEAN S.à r.l. 7, Rue Pierre d'Aspelt L-1142 LUXEMBOURG
Executive Committee of the AIFM	Guillaume BINNENDIJK CIGOGNE MANAGEMENT S.A. 18, Boulevard Royal L-2449 LUXEMBOURG Joffrey CZURDA CIGOGNE MANAGEMENT S.A. 18, Boulevard Royal L-2449 LUXEMBOURG Sylviane KERZERHO CIGOGNE MANAGEMENT S.A. 18, Boulevard Royal L-2449 LUXEMBOURG (until 31st December 2023)

CIGOGNE CLO ARBITRAGE

Organisation (continued)

Depository

BANQUE DE LUXEMBOURG
Société Anonyme
14, Boulevard Royal
L-2449 LUXEMBOURG

Central Administration

BANQUE DE LUXEMBOURG
Société Anonyme
14, Boulevard Royal
L-2449 LUXEMBOURG
(until 30th June 2023)

UI efa S.A.
(formerly EUROPEAN FUND ADMINISTRATION S.A.)
2, Rue d'Alsace
L-1122 LUXEMBOURG
(since 1st July 2023)

**Central Administration's
Subcontractor**

UI efa S.A.
(formerly EUROPEAN FUND ADMINISTRATION S.A.)
2, Rue d'Alsace
L-1122 LUXEMBOURG
(until 30th June 2023)

Cabinet de révision agréé

KPMG Audit S.à r.l.
39, Avenue John F. Kennedy
L-1855 LUXEMBOURG

CIGOGNE CLO ARBITRAGE

Report on activities of the Board of Directors

The Board of Directors of CIGOGNE CLO ARBITRAGE (the "Company") examined the Company's financial statements for 2023. Assets under management as of 31st December 2023 stand at EUR 134 million.

2023 was marked by a series of substantial challenges. The crisis faced by Crédit Suisse and the panic surrounding US regional banks in March, combined with a significant increase in geopolitical tensions around the world, made investors even more nervous. In addition, persistent high inflation accompanied by a sharp rise in interest rates around the world posed significant risks to global growth. The Fed raised its key rate four times, from 4.5% to 5.5%, while the ECB applied six consecutive increases from 2.50% to 4.50%. Despite these worrisome factors, investors' sentiment improved significantly as economic data showed a solid resilience in activity, both in Europe and the United States. The scenario of a soft landing for the economy has gradually been confirmed, distancing the risk of recession. A series of lower inflation figures in these geographical regions also allayed fears about monetary tightening. At the end of the year, with rates having peaked, investors began to anticipate significant rate cuts by the Fed and ECB in 2024, also buoyed by increasingly reassuring communications from central banks. In this optimistic environment, European credit indices tightened sharply: by 32 bps for the Investment Grade index and by 164 bps for the High Yield index.

In an environment of restrictive monetary policies where inflation is tending to be kept under control, investors withdrew over USD 100 billion from hedge funds last year in a second consecutive year of outflows of this scale. Market volatility, geopolitical tensions, and a shift in investor preference towards more liquid and transparent assets amidst global economic uncertainties have played pivotal roles. The hedge fund industry assets under management (AuM) rose in 2023 to an estimated USD 3.5 trillion, up 3.2% from the year before. Indeed, the overall performance of hedge funds more than offset investor withdrawals. Seven of the eight hedge fund master strategies saw net growth in AUM, led by equity long/short, followed by multi-strategy. 2024 looks set to be a year of transition, with inflation and potential interest rate readjustments still on the agenda.

Throughout the year, we have sought to avoid major investment missteps while taking advantage of the opportunities offered in turbulent markets such as the decorrelation of asset prices and their fundamentals or the desynchronization amongst asset classes. In this context, our sub-fund managed to deliver satisfactory performances:

- The CLO Arbitrage sub-fund closed 2023 with an annual performance of +10.83%. The synthetic leveraged loan market benefited from the trend, with spreads tightening over the year. On the primary market, activity was in line with 2022, with EUR 26 billion in new issues. In 2023, the arrival of seven new CLO managers should be noted, despite the volatility observed on the markets. In addition, the increasing dispersion according to the quality of managers and underlying portfolios seen in previous months continued. As a result, the capital structure continues to have wide spreads. The spread on the most senior tranches narrowed by 47.5 bps to Euribor +155 bps (source: Citigroup) over the year, compared with Euribor +447.5 bps for BBB-rated tranches.

Additionally, the Board of Directors ensured that Cigogne Management S.A. has established and maintains adequate internal control and risk management systems in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The AIFM has contracted with the Central Administration to put procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including the production of annual reports. The Board of Directors, from time to time, also examines and evaluates the AIFM's/administrators' financial accounting and reporting routines. The Central Administration has implemented controls over the financial reporting process that are subject to annual review by an independent auditor as reported in their ISAE 3402 report.

The annual report including audited financial statements of the Company are required to be approved by the Board of Directors of the Company and filed with the Commission de Surveillance du Secteur Financier (CSSF) and the Registre de Commerce et des Sociétés (RCS). The annual statutory financial statements are required to be audited by independent auditors who report to the Board of Directors on their findings. The Board of Directors, from time to time, also monitors and evaluates the external auditors' performance, qualifications and independence.

The Board of Directors meets at least once a year and ensures that the Company maintains high standards of integrity and control in its operations and that it possesses adequate governance and means of control as law and regulation demand.

CIGOGNE CLO ARBITRAGE

Report on activities of the Board of Directors (continued)

Regarding our outlook for 2024, the AIFM will continue to work on improving its internal control and risk management systems as well as implementing an extra-financial analysis taking into account ESG factors. In terms of financial markets, the upcoming year will once again be driven by the major central banks and their monetary policies. Geopolitical risks and tensions remain elevated with the ongoing wars in Ukraine and Gaza, and 40 national elections slated to occur in 2024. The United States has its own set of political challenges, with presidential and congressional elections in 2024, ongoing threats of a government shutdown, political gridlock, growing debt load and growing social unrest. In addition, the decline in growth seems to be weakening a number of businesses, as evidenced by the increase in bankruptcies in 2023, which is likely to rise during that year. This could however represent a great opportunity for the hedge fund industry that can benefit from market's dislocations and increased volatility to implement alpha generating strategies and risk-adjusted performance.

More information is available on the website of the AIFM: www.cigogne-management.com

Luxembourg, 29th February 2024

The Board of Directors

Note: The information in this report represents historical data and is not an indication of future results.



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Internet: www.kpmg.lu

To the Shareholders of
CIGOGNE CLO ARBITRAGE
18, Boulevard Royal
L-2449 LUXEMBOURG

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CIGOGNE CLO ARBITRAGE ("the Fund"), which comprise the statement of net assets and the statement of investments and other net assets as at 31 December 2023 and the statement of operations and the statement of changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of CIGOGNE CLO ARBITRAGE as at 31 December 2023, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the financial statements » section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.



- Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, 3 May 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'Pascale Leroy', written over a faint, stylized blue line graphic.

Pascale Leroy
Partner

CIGOGNE CLO ARBITRAGE - EUROPE

Statement of net assets (in EUR)

as at 31st December 2023

Assets

Investments

Securities portfolio at market value	464,138,735.94
	<u>464,138,735.94</u>

Cash and cash equivalents

Cash at banks	48,602,279.92
	<u>48,602,279.92</u>

Receivables

Income receivable on portfolio	4,332,486.58
Interest receivable on bank accounts	10,244.17
	<u>4,342,730.75</u>

Total assets

517,083,746.61

Liabilities

Payables

Interest payable on tripartite repurchase agreements	85,331.11
Expenses payable	65,209.94
	<u>150,541.05</u>

Borrowings

Tripartite repurchase agreements	380,000,000.00
	<u>380,000,000.00</u>

Other liabilities

Other payables	2,832,792.24
	<u>2,832,792.24</u>

Total liabilities

382,983,333.29

Total net assets at the end of the year

134,100,413.32

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in EUR)
A	11,794.1561	EUR	11,342.55	133,775,800.47
O	30.9704	EUR	10,481.39	324,612.85
				<u>134,100,413.32</u>

The accompanying notes are an integral part of these financial statements.

CIGOGNE CLO ARBITRAGE - EUROPE

Statement of operations (in EUR)

from 1st January 2023 to 31st December 2023

Income

Investment income

Interest on bonds and other debt securities, net	21,256,450.18
Interest on bank accounts	22,249.43
Interest on bank deposits	348,414.30
Interest on swap contracts	2,696,047.06
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	24,323,160.97

Realised gain on investments

- on securities portfolio	441,307.82
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	441,307.82

Unrealised gains on investments

- on securities portfolio	5,245,729.37
- on swap contracts	7,055.26
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	5,252,784.63

Total income

30,017,253.42

Expenses

Investment advisory or management fees

Management fees	72,655.68
Performance fees	2,254.61
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	74,910.29

Other expenses

Depositary fees	42,114.24
Banking charges and other fees	64,476.52
Central administration costs	40,364.93
Professional fees	28,901.52
Other administration costs	13,237.12
Subscription duty ("taxe d'abonnement")	13,841.98
Interest paid on tripartite repurchase agreements	12,509,160.46
Interest paid on repurchase agreements	189,267.80
Interest paid on swap contracts	2,565,239.29
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	15,466,603.86

Realised loss on investments

- on securities portfolio	11,528.15
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	11,528.15

Unrealised loss on investments

- on securities portfolio	512.65
- on swap contracts	125,697.83
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	126,210.48

Total expenses

15,679,252.78

Net income

14,338,000.64

The accompanying notes are an integral part of these financial statements.

CIGOGNE CLO ARBITRAGE - EUROPE

Statement of changes in net assets (in EUR) from 1st January 2023 to 31st December 2023

Net income	14,338,000.64
Subscriptions	309,704.00
Redemptions	-46,140,710.57
Total changes in net assets	-31,493,005.93
Total net assets at the beginning of the year	165,593,419.25
Total net assets at the end of the year	134,100,413.32

The accompanying notes are an integral part of these financial statements.

CIGOGNE CLO ARBITRAGE - EUROPE

Statistical information (in EUR)

as at 31st December 2023

Total net assets	Currency	31.12.2021	31.12.2022	31.12.2023
	EUR	191,845,078.35	165,593,419.25	134,100,413.32

Net asset value per share class	Currency	31.12.2021	31.12.2022	31.12.2023
A	EUR	10,445.46	10,233.99	11,342.55
O	EUR	-	-	10,481.39

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A	16,180.7311	-	-4,386.5750	11,794.1561
O	-	30.9704	-	30.9704

CIGOGNE CLO ARBITRAGE - EUROPE

Statement of investments and other net assets (in EUR) as at 31st December 2023

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Asset backed securities					
EUR	10,800,000	Avoca CLO XI DAC FRN Ser 11RR 15/15.07.30	5,158,585.39	5,250,481.45	3.92
EUR	16,000,000	Avoca CLO XV DAC FRN AR Ser 15X Reg S 18/15.04.31	15,414,735.20	15,121,855.23	11.28
EUR	12,498,000	Blackrock Eur CLO IV DAC FRN A Ser 4X Reg S 122A 17/15.07.30	10,966,383.41	11,080,756.68	8.26
EUR	3,900,000	BNPP IP Euro CLO FRN ARR Ser 15-1X Reg S18/15.10.30	3,746,770.53	3,705,829.57	2.76
EUR	4,000,000	Carlyle Euro CLO 2017-2 DAC FRN Ser 172R 15/15.08.30	3,086,134.88	3,161,445.54	2.36
EUR	17,550,000	Contego CLO 10 DAC FRN Ser 15/15.11.36	17,550,000.00	17,574,385.72	13.11
EUR	12,200,000	Contego Clo IV DAC FRN Ser 4R 23/23.01.30	11,809,119.86	11,935,809.11	8.90
EUR	4,800,000	CVC Cordatus Loan Fd XXVI DAC FRN Ser 26 15/15.01.37	4,800,000.00	4,826,494.56	3.60
EUR	22,850,000	Euro Galaxy CLO BV FRN 24/24.04.34	22,826,402.60	22,474,501.66	16.76
EUR	24,600,000	Euro Galaxy VI CLO DAC FRN ANE Ser 18-6X CRR 405 18/11.04.31	20,865,140.53	20,999,981.39	15.66
EUR	10,500,000	GoldenTree Loan Mgt EURCLO1DAC FRN A1AE Ser 1X 18/20.10.30	9,129,733.42	9,041,685.35	6.74
EUR	10,000,000	Harvest CLO XX DAC FRN Ser 20R 20/20.10.31	9,532,079.29	9,695,115.43	7.23
EUR	10,050,000	Madison Park Eu Fund XIII DAC FRN Ser 13R 15/15.01.32	9,630,375.00	9,876,135.00	7.36
EUR	5,450,000	Man GLG Eu GIO II DAC FRN A1RE Ser 2X Reg S 19/15.01.30	1,430,735.30	1,424,130.91	1.06
EUR	10,900,000	Marlay Park CLO DAC FRN A1AE Ser 1X Reg S 18/15.10.30	8,880,896.35	8,800,781.78	6.56
EUR	18,250,000	Providus CLO I DAC FRN ANE Ser 1X CRR 405 Reg S 18/14.05.31	17,881,470.73	17,756,467.06	13.24
EUR	10,000,000	Purple Finance CLO 1 DAC FRN ANE Ser1X 122A RegS 18/25.01.31	3,424,602.17	3,412,251.84	2.54
EUR	5,000,000	Tikehau CLO IV BV FRN Ser 4X Class A1NE Reg S 18/15.10.31	4,987,639.86	4,934,679.11	3.68
EUR	24,000,000	Tikehau CLO VIII DAC FRN 25/25.10.34	23,856,000.00	24,103,850.40	17.98
EUR	7,500,000	Willow Park CLO DAC FRN A1E Ser 1X Reg S 17/15.01.31	5,000,456.35	4,965,744.18	3.70
Total asset backed securities			209,977,260.87	210,142,381.97	156.70
<u>Transferable securities dealt in on another regulated market</u>					
Asset backed securities					
EUR	40,000,000	Palmer Sq Eu Loan Fd 2022 1 FRN 15/15.10.31	34,410,514.37	34,145,096.18	25.46
Total asset backed securities			34,410,514.37	34,145,096.18	25.46
<u>Other transferable securities</u>					
Asset backed securities					
EUR	25,600,000	Ares European CLO X BV FRN Ser 10R 15/15.10.31	24,388,803.39	24,999,786.36	18.64
EUR	30,000,000	Avoca XVII FRN Ser 17RR 15/15.10.32	30,000,000.00	29,551,935.00	22.04
EUR	4,000,000	BNP Paribas Amsterdam FRN 15/15.04.31	4,000,000.00	3,934,796.00	2.93
EUR	11,800,000	BNPP AM Euro Clo 2017 BV FRN AR Ser 17-1X Reg S 19/15.10.31	11,621,450.75	11,461,734.84	8.55
EUR	23,950,000	Carlyle GI Mk Str CLO 16-2 DAC FRN Ser 152RR 10/10.11.35	23,833,550.00	23,273,469.98	17.36
EUR	23,600,000	Carlyle Global Market Str EUR FRN A1ER Ser 13-1X 19/15.04.30	21,489,338.96	21,261,961.19	15.86
EUR	6,800,000	CVC Cordatus Loan Fd X DAC FRN Ser 10 26/26.01.31	6,495,421.70	6,589,536.34	4.91
EUR	26,800,000	EUR-Galaxy IV CLO BV FRN Ser 4RR 30/30.07.34	26,800,000.00	26,126,834.92	19.48
EUR	16,050,000	GLG EUR CLO FRN Ser 6R 15/15.10.32	15,177,671.72	15,141,112.55	11.29
EUR	11,350,000	GLG Euro CLO III DAC FRN Ser 3R 15/15.10.30	5,753,533.34	5,748,605.36	4.29
EUR	6,550,000	Harvest CLO SA FRN 15/15.02.30	5,739,171.07	5,672,483.63	4.23
EUR	16,620,000	Harvest CLO XI FRN Ser 11R 26/26.06.30	10,758,321.91	10,844,952.79	8.09
EUR	28,750,000	Madison Park Eu Fun VIII DAC FRN 15/15.04.32	28,750,000.00	28,323,367.25	21.12
EUR	7,500,000	Palm Sq Eur Lo Fd 2022-3 DA Co FRN Ser 223 12/12.04.32	6,905,148.46	6,920,681.58	5.16
Total asset backed securities			221,712,411.30	219,851,257.79	163.95
Total investments in securities			466,100,186.54	464,138,735.94	346.11

* Minor differences in the calculation of percentages of the total net assets may arise due to rounding.

The accompanying notes are an integral part of these financial statements.

CIGOGNE CLO ARBITRAGE - EUROPE

Statement of investments and other net assets (in EUR) (continued) as at 31st December 2023

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
		Commitment on repurchase agreements		-380,000,000.00	-283.37
<u>Cash at banks</u>					
Term deposits					
EUR	47,500,000.00	Credit Ind & Commercial SA 0.0000% 02.01.2024	47,500,000.00	47,500,000.00	35.42
Total term deposits			47,500,000.00	47,500,000.00	35.42
Current accounts at bank			1,102,279.92	1,102,279.92	0.82
Total cash at banks			48,602,279.92	48,602,279.92	36.24
Other net assets/(liabilities)				1,359,397.46	1.02
Total				134,100,413.32	100.00

* Minor differences in the calculation of percentages of the total net assets may arise due to rounding.

The accompanying notes are an integral part of these financial statements.

CIGOGNE CLO ARBITRAGE

Notes to the financial statements

as at 31st December 2023

Note 1 - General information

CIGOGNE CLO ARBITRAGE (the "SICAV") is an investment company with variable share capital in the form of a "*Société d'Investissement à Capital Variable*" with multiple sub-funds and subject to the Luxembourg Law of 13th February 2007 as amended on Specialised Investment Funds and qualifies as an Alternative Investment Fund ("AIF") in accordance with the amended Law of 12th July 2013. The SICAV was incorporated on 22nd November 2010 for an unlimited period.

The financial statements of the sole Sub-Fund correspond to the combined statements of the SICAV.

The following documents are available to the shareholders:

- the offering document and the Articles of Association of the SICAV,
- the subscription form for the SICAV,
- the annual reports including audited financial statements of the SICAV.

The complaint settlement procedure foreseen by the CSSF Regulation N° 16-07 relating to the out-of-court resolution of complaints is available at the registered office of the SICAV.

Note 2 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of the SICAV are established in accordance with the Luxembourg legal and regulatory requirements concerning specialised investment funds and with generally accepted accounting principles in Luxembourg. The financial statements follow the presentation as defined by Article 104 of the Commission Delegated Regulation (EU) N° 231/2013.

The financial statements of the SICAV have been prepared on a going concern basis.

b) Valuation of assets

The value of cash in hand or on deposit, of bills and notes payable on demand and accounts receivable, prepaid expenses, dividends and interest announced or due for payment and not yet collected is formed by the nominal value of such assets, unless however it appears unlikely that this value can be collected; in the latter instance, the value will be determined by deducting an amount that the SICAV deems appropriate to reflect the fair value of these assets.

The value of securities and instruments which are quoted or traded on a stock exchange is determined according to the last quoted or traded price known on the principal market for each security or instrument at the relevant Valuation Day.

The value of securities and instruments which are traded on another regulated market, functioning regularly, recognised and open to the public, is determined according to the last traded price known at the relevant Valuation Day.

The value of the securities representing units or shares of an undertaking for collective investment is determined in accordance with their last official net asset value per unit or share or according to their last estimated net asset value if this is more recent than the official net asset value, provided that the SICAV is assured that the valuation method used for this estimate is consistent with that utilised for the calculation of the official net asset value.

The valuation of derivatives traded over-the-counter (OTC), such as swaps, futures, forward or option contracts not traded on exchanges or on other recognised markets, is based on their net liquidating value determined, pursuant to the policies established by the Board of Directors of the SICAV on the basis of recognised financial models in the market and in a consistent manner for each category of contracts. The net liquidating value of a derivative position is to be understood as being equal to the net unrealized profit/loss with respect to the relevant position.

Insofar as the securities or instruments in the portfolio on the Valuation Day are not listed or traded on a stock exchange or on another regulated market, functioning regularly, recognised and open to the public, or in the event that, for securities, instruments listed and traded on a stock exchange or on another market or securities representing units or shares of an undertaking for collective investment, the price determined pursuant to paragraphs above is not representative of the fair value of the securities, instruments or securities representing units or shares of an undertaking for collective investment, the valuation is estimated prudently and in good faith.

c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by the Sub-Fund that are denominated in currencies other than the reference currency of the Sub-Fund is converted into this currency at the exchange rate prevailing on the date of purchase.

CIGOGNE CLO ARBITRAGE

Notes to the financial statements (continued)

as at 31st December 2023

d) Realised gain/(loss) on securities portfolio

The realised gains and losses on securities portfolio are calculated on the basis of the average acquisition cost and are disclosed in the statement of operations.

e) Investment portfolio income

Interest income accrued and payable is recorded, net of any withholding tax.

f) Conversion of foreign currencies

Cash at banks, other net assets and liabilities and the market value of the securities in portfolio expressed in currencies other than the reference currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the financial statements. Income and expenses expressed in currencies other than the reference currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the transaction. Realised gains or losses on foreign exchange are disclosed in the statement of operations.

g) Swap contracts

In an interest rate swap, the SICAV exchanges with another party their respective commitments to pay or receive interest on a specified notional principal amount. Unrealised gains and losses are recorded in the statement of net assets. Realised gains and losses and unrealised gains and losses are recorded in the statement of operations.

h) Repurchase agreements (repos) and reverse-repurchase agreements (reverse-repos)

Repos are similar to secured borrowings of funds equal to the sale prices of the related collateral.

Reverse-repos are similar to secured lending of funds.

Repos and reverse-repos transactions are accounted for as borrowings and loans, respectively, for the amount of cash received and/or paid. Interest is accrued separately and is included in the appropriate asset and liability heading.

Note 3 - Management fees

The AIFM receives a management fee of maximum 2% p.a., payable quarterly and calculated on the average net assets of the respective share class of the SICAV.

At the date of the financial statements the effective annual management fee rates are as follows:

Share Class	Effective annual rate
A	0.05%
O	1.50%

Note 4 - Performance fees

The AIFM is entitled to a performance fee equal to maximum 20% of the increase in the Net Asset Value per share of the relevant Class in issue in respect of each Calculation Period against the High Water Mark as adjusted by the Performance Index return.

The AIFM decided to fix the performance fees for Class A shares at 0.00% since 1st August 2017.

At the date of the financial statements, a performance fee was due and amounted to:

Sub-Fund	Share class	Performance fee amount in Sub-Fund currency	Performance fee ratio in % of average total net assets
CIGOGNE CLO ARBITRAGE - EUROPE	O	2,254.61	0.83%
		2,254.61	
		EUR	

CIGOGNE CLO ARBITRAGE

Notes to the financial statements (continued)

as at 31st December 2023

Note 5 - Central administration costs

The item "Central administration costs" disclosed in the statement of operations is composed of domiciliary fees and administrative fees.

Note 6 - Subscription duty ("*taxe d'abonnement*")

The SICAV is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the SICAV is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.01% which is payable quarterly and calculated on the basis of the net assets of the Sub-Fund on the last day of each quarter.

Pursuant to Article 68 (2a) of the amended Law of 13th February 2007 the net assets invested in Undertakings for Collective Investment already subject to the "*taxe d'abonnement*" are exempt from this tax.

Note 7 - Swap contracts

As at 31st December 2023, no interest rate swap contracts are open.

Note 8 - Repurchase agreements

As at 31st December 2023, the Sub-Fund is committed in repurchase agreements with CIC, Paris for the following amount:

	Currency	Global exposure (amount tripartite repurchase agreements including interests)
CIGOGNE CLO ARBITRAGE - EUROPE	EUR	380,085,331.11

Note 9 - Pledged assets

As at 31st December 2023, the following securities serve as pledged assets for tripartite repurchase agreements with CIC, Paris:

Description	Currency	Quantity	Market value including interests (in EUR)
Ares European CLO X BV FRN Ser 10R 15/15.10.31	EUR	25,600,000	25,252,897.76
Avoca CLO XI DAC FRN Ser 11RR 15/15.07.30	EUR	10,800,000	5,302,400.14
Avoca XVII FRN Ser 17RR 15/15.10.32	EUR	30,000,000	29,854,985.00
Blackrock Eur CLO IV DAC FRN A Ser 4X Reg S 122A 17/15.07.30	EUR	12,498,000	11,194,522.72
BNP Paribas Amsterdam FRN 15/15.04.31	EUR	4,000,000	3,973,344.89
BNPP AM Euro Clo 2017 BV FRN AR Ser 17-1X Reg S 19/15.10.31	EUR	11,800,000	11,574,960.05
BNPP IP Euro CLO FRN ARR Ser 15-1X Reg S18/15.10.30	EUR	3,900,000	3,742,925.68
Carlyle Euro CLO 2017-2 DAC FRN Ser 172R 15/15.08.30	EUR	4,000,000	3,180,413.14
Carlyle GI Mk Str CLO 16-2 DAC FRN Ser 152RR 10/10.11.35	EUR	23,950,000	23,436,895.47
Carlyle Global Market Str EUR FRN A1ER Ser 13-1X 19/15.04.30	EUR	23,600,000	21,471,858.19
Contego CLO 10 DAC FRN Ser 15/15.11.36	EUR	17,550,000	17,708,980.57
Contego Clo IV DAC FRN Ser 4R 23/23.01.30	EUR	12,200,000	12,043,984.47
CVC Cordatus Loan Fd X DAC FRN Ser 10 26/26.01.31	EUR	6,800,000	6,646,493.20
CVC Cordatus Loan Fd XXVI DAC FRN Ser 26 15/15.01.37	EUR	4,800,000	4,888,966.56
EUR-Galaxy IV CLO BV FRN Ser 4RR 30/30.07.34	EUR	26,800,000	26,347,169.63
Euro Galaxy CLO BV FRN 24/24.04.34	EUR	22,850,000	22,672,363.45

CIGOGNE CLO ARBITRAGE

Notes to the financial statements (continued) as at 31st December 2023

Description	Currency	Quantity	Market value including interests (in EUR)
Euro Galaxy VI CLO DAC FRN ANE Ser 18-6X CRR 405 18/11.04.31	EUR	24,600,000	21,224,332.65
GLG EUR CLO FRN Ser 6R 15/15.10.32	EUR	16,050,000	15,295,598.44
GLG Euro CLO III DAC FRN Ser 3R 15/15.10.30	EUR	11,350,000	5,805,442.89
GoldenTree Loan Mgt EURCLO1DAC FRN A1AE Ser 1X 18/20.10.30	EUR	10,500,000	9,127,924.81
Harvest CLO SA FRN 15/15.02.30	EUR	6,550,000	5,706,818.54
Harvest CLO XI FRN Ser 11R 26/26.06.30	EUR	16,620,000	10,850,531.15
Harvest CLO XX DAC FRN Ser 20R 20/20.10.31	EUR	10,000,000	9,787,248.37
Madison Park Eu Fun VIII DAC FRN 15/15.04.32	EUR	28,750,000	28,613,790.17
Madison Park Eu Fund XIII DAC FRN Ser 13R 15/15.01.32	EUR	10,050,000	9,976,171.58
Man GLG Eu GIO II DAC FRN A1RE Ser 2X Reg S 19/15.01.30	EUR	5,450,000	1,438,720.15
Marlay Park CLO DAC FRN A1AE Ser 1X Reg S 18/15.10.30	EUR	10,900,000	8,888,993.75
Palm Sq Eur Lo Fd 2022-3 DA Co FRN Ser 223 12/12.04.32	EUR	7,500,000	7,011,981.45
Palmer Sq Eu Loan Fd 2022 1 FRN 15/15.10.31	EUR	40,000,000	34,488,888.75
Providus CLO I DAC FRN ANE Ser 1X CRR 405 Reg S 18/14.05.31	EUR	18,250,000	17,867,444.71
Purple Finance CLO 1 DAC FRN ANE Ser1X 122A RegS 18/25.01.31	EUR	10,000,000	3,442,565.83
Tikehau CLO IV BV FRN Ser 4X Class A1NE Reg S 18/15.10.31	EUR	5,000,000	4,985,904.94
Tikehau CLO VIII DAC FRN 25/25.10.34	EUR	18,848,000	19,142,692.46
Willow Park CLO DAC FRN A1E Ser 1X Reg S 17/15.01.31	EUR	7,500,000	5,016,468.25
			<u>447,964,679.81</u>

Note 10 - Sustainability-related disclosures

In accordance with the requirements of the EU Regulations 2019/1288 and of the Council of 27th November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR") as amended, the SICAV is categorised under SFDR Article 6.

The investments underlying the SICAV do not take into account the EU criteria for environmentally sustainable economic activities.

However, the AIFM has implemented sectoral exclusion criteria which aim to define a field of intervention in areas where the social and environmental impacts are the highest.

Note 11 - Events

The Class O Shares were reactivated end of June 2023.

Note 12 - Subsequent events

There are no significant subsequent events.

CIGOGNE CLO ARBITRAGE

Additional information (unaudited)

as at 31st December 2023

1 - Risk management

CIGOGNE CLO ARBITRAGE primarily uses all types of debt securities and debt instruments issued by public and/or private issuers worldwide, including, without limitation, fixed rate bonds, variable rate bonds, inflation linked bonds, collateralised debt obligations, collateralised loan obligations, mortgage backed securities, asset backed securities.

- The aim of the CIGOGNE CLO ARBITRAGE - EUROPE sub-fund is to invest in European Collateralized Loan Obligations (CLO).

Arbitrage strategies set forth in the CIGOGNE CLO ARBITRAGE - EUROPE sub-fund consist in taking advantage of the credit component and the interest rate risk is usually hedged. The portfolio is composed of prime CLO tranches with an average duration of less than 3-4 years.

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, withing the scope of the portfolio's eligibility requirements.

The portfolio is well diversified with 35 strategies on 31st December 2023. The leverage of sub-fund is 3.5 times of its Net Assets in accordance with both the commitment method and the gross method. The Value-at-Risk (20 days, 99%) is 1.17% of its Net Assets.

2 - Remuneration

Regarding the remuneration, Cigogne Management S.A. uses the Crédit Mutuel Alliance Fédérale's policy. Its rules include both fixed and variable remunerations paid by the AIFM to either its staff or its senior management. The remuneration is independent from the evolution or the performances. For 2023, figures were:

- Fixed EUR 1,876,849
- Variable EUR 593,811

Number of employees: 20 headcounts

More information related to the remuneration is available on the website of the AIFM: www.cigogne-management.com.

3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")

During the reporting period, the SICAV was concerned by repurchase transactions in the context of the publication requirements of the SFTR.

CIGOGNE CLO ARBITRAGE

Additional information (unaudited) (continued)
as at 31st December 2023

		CIGOGNE CLO ARBITRAGE - EUROPE (in EUR)
Global data: assets used for repurchase agreements		
	in absolute terms	380,085,331.11
	as a percentage of lendable assets of the Sub-Fund	81.89%
Concentration data		
10 largest collateral issuers		
	first	-
	gross volumes for open trades	-
Top 10 counterparties		
	name of counterparty	Credit Ind & Commercial SA
	gross volume of outstanding transactions	380,085,331.11
	name of counterparty	-
	gross volume of outstanding transactions	-
Aggregate transaction data for securities borrowing		
Type and quality of the collaterals received		
	AAA bonds collateral	-
	listed equities collateral	-
	cash collateral	-
Collaterals classified according to their residual maturities (absolute amounts)		
	less than 1 day	-
	from 1 day to 1 week (= 7 days)	-
	from 1 week to 1 month (= 30 days)	-
	from 1 month to 3 months	-
	from 3 months to 1 year (= 365 days)	-
	above 1 year	-
	open maturity	-
Country (countries) in which the counterparties are established		FR
Type of settlement and clearing		
	tri-party	380,085,331.11
	Central Counterparty	-
	bilateral	-
Data on reuse of collateral received		
	% foreseen in prospectus	re-use of collateral granted under the leveraging arrangement
	collateral received that is reused	-
	cash collateral reinvestment returns to the Sub-Fund	-
Safekeeping of collateral received		
	number of depositaries	-
	name of depositaries	-
	amounts of assets received as collateral	-
Safekeeping of collateral granted		
	segregated accounts	447,964,679.81
	pooled accounts	-
	other accounts	-
Return and cost components		
Return component of the Fund		
	In absolute terms	-
	As a percentage of overall returns	-
Cost component of the Fund		-12,698,428.26
Return component of the capital management company		
	In absolute terms	-
	As a percentage of overall returns	-
Cost component of the capital management company		-
Return component of third parties		
	In absolute terms	-
	As a percentage of overall returns	-
Cost component of third parties		-