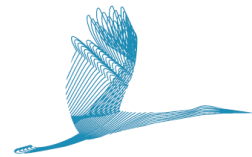


CIGOGNE FUND

ABS/MBS Arbitrage

31/12/2019



CIGOGNE
MANAGEMENT

Assets Under Management : 297 892 053.45 €

Net Asset Value (O Shares) : 18 483.60 €

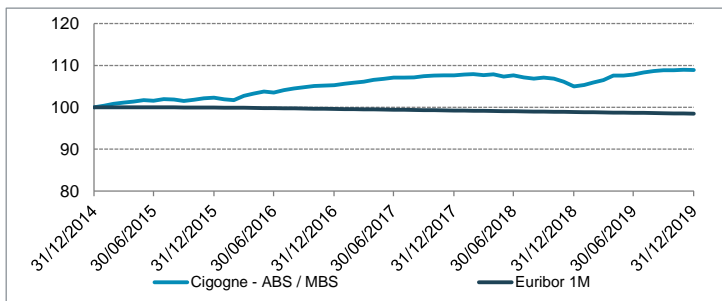
PERFORMANCES

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2019	0.35%	0.55%	0.54%	1.01%	0.01%	0.23%	0.46%	0.31%	0.15%	0.02%	0.11%	-0.05%	3.74%
2018	0.21%	0.07%	-0.20%	0.17%	-0.51%	0.27%	-0.46%	-0.26%	0.24%	-0.24%	-0.67%	-1.08%	-2.44%
2017	0.33%	0.24%	0.25%	0.39%	0.21%	0.28%	0.02%	0.06%	0.24%	0.14%	0.07%	-0.02%	2.24%
2016	-0.38%	-0.19%	1.00%	0.54%	0.47%	-0.23%	0.58%	0.35%	0.30%	0.27%	0.10%	0.06%	2.90%
2015	0.39%	0.45%	0.28%	0.23%	0.36%	-0.15%	0.39%	-0.13%	-0.30%	0.26%	0.34%	0.14%	2.29%

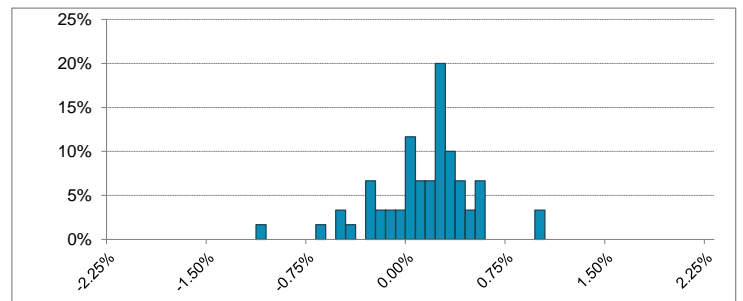
PORTFOLIO STATISTICS FOR 5 YEARS / SINCE 30/06/2006

	Cigogne ABS/MBS 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	8.91%	84.84%	-1.52%	12.33%	-7.17%	-10.79%	61.40%	161.92%	10.26%	76.72%
Annualised Return	1.72%	4.65%	-0.31%	0.86%	-1.48%	-0.84%	10.04%	7.39%	1.97%	4.30%
Annualised Volatility	1.23%	12.50%	0.04%	0.45%	3.92%	5.65%	11.86%	12.71%	2.59%	3.49%
Sharpe Ratio	1.65	0.30	-	-	-0.30	-0.30	0.87	0.51	0.88	0.99
Sortino Ratio	3.02	0.35	-	-	-0.40	-0.39	1.51	0.83	1.81	1.83
Max Drawdown	-2.71%	-52.14%	-1.52%	-1.52%	-12.24%	-25.93%	-13.16%	-48.81%	-3.12%	-5.80%
Time to Recovery (m)	7	22	-	-	> 12	> 132	14	48	6	4
Positive Months (%)	75.00%	82.72%	3.33%	64.20%	56.67%	56.79%	63.33%	64.20%	53.33%	62.96%

PERFORMANCE (Net Asset Value)



DISTRIBUTION OF RETURNS (Monthly Basis)

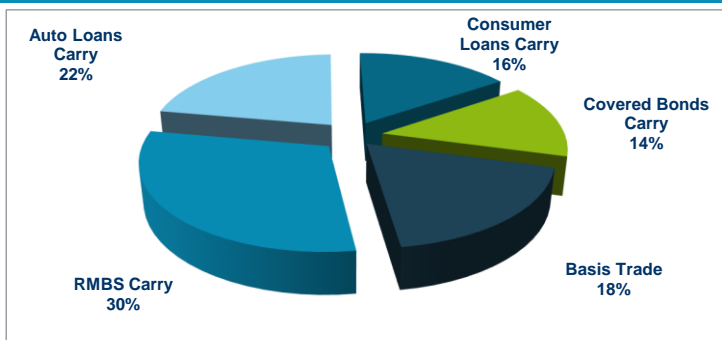


INVESTMENT MANAGERS' COMMENTARY

The monthly performance of the Cigogne – ABS/MBS Arbitrage fund stands at -0.05%.

The ABS sub-fund posted a slightly negative monthly performance but ended 2019 with a gain of +3.74%. The decrease in volatility continued this month with a “risk on” movement in risky assets. The United States and China reached a so-called “Phase One” trade deal, which is due to be signed in January and which will, at least temporarily, bring an end to the escalation of trade tensions between the two countries. Under this deal, customs duties on certain Chinese products will be reduced in exchange for China’s purchase of over \$20 billion worth of US products over the next two years. In the United Kingdom, the landslide victory of Boris Johnson’s Conservative Party in the 12 December general election confirmed the British public’s clear desire to honour the result of the 2016 referendum on the UK’s exit from the European Union. Against this background, core sovereign bond rates ended the month up. The German 10-year rate rose by 17 bps, while the US 10-year rate climbed by 14 bps over the month. Renewed investor appetite for risk on securitisations focused primarily on mezzanine tranches, causing credit spreads for senior European ABS tranches, which make up the large majority of our portfolio, to remain relatively stable. The overall carry of the positions therefore accounts for much of the result achieved by the sub-fund. During this end-of-year period, the ECB was significantly less active through the ABSPP, with only the net purchase of +€261 million of securitisations in December (compared with +€1.26 billion the previous month). Meanwhile, the European ABS primary market also slowed sharply, with only +€2 billion in new public issues, i.e. +€74 billion since the start of the year (compared with +€76 billion in 2018). Nevertheless, in the consumer loans segment, Crédit Agricole Consumer Finance (a subsidiary of Crédit Agricole SA) launched a €400.7 million securitisation backed by Dutch consumer loans, via its MAGOI 2019-1 vehicle. It was possible to subscribe to this issue on the tranche with the highest seniority. Finally, we opened positions in the Dutch RMBS, EDML 2018-2 A, from Elan Woninghypotheek (a Goldman Sachs issue programme).

ASSET BREAKDOWN



CORRELATION MATRIX

	Cigogne ABS/MBS	Euribor 1M	HFRX HF Index	MSCI World Index	Markit iBx Corp. Index
Cigogne ABS/MBS	100%	8%	50%	49%	34%
Euribor 1M	8%	100%	-6%	-2%	-7%
HFRX HF Index	50%	-6%	100%	70%	28%
MSCI World Index	49%	-2%	70%	100%	43%
Markit iBx Corp. Index	34%	-7%	28%	43%	100%

CIGOGNE FUND

ABS/MBS Arbitrage

31/12/2019



INVESTMENT OBJECTIVES

Strategies set forth in the ABS / MBS Arbitrage compartment span across two specialties:

- ABS (Asset Backed Securities), MBS (Mortgage Backed Securities) and Covered Bonds arbitrage, which consist in exploiting price inefficiencies between asset backed notes and their refinancing cost (notes purchase related borrowing cost);
- Basis Trade arbitrage, which consists in taking advantage of the spread between the premium offered by a secured note and the CDS premium of the related issuer.

All these strategies focus on the credit component of the underlying financial instruments; any interest rate exposure is systematically hedged. The portfolio is today composed of ABS/MBS and Covered Bonds of high quality, benefiting from a AA rating (at least) and a weighted average life of 3 years (5 years on basis arbitrage strategies). The portfolio is well diversified, with more than forty strategies on average.

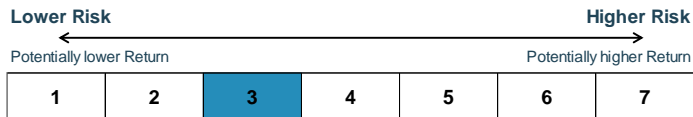
MAIN EXPOSURES (In percentage of gross asset base)

HFHL 2019-1 A EUR3+70 27/09/2056	3.69%
HLFCT 2019-1 A EUR3+60 31/10/54	3.40%
ABEST 15 A EUR1+40 15/04/31	2.87%
SIENA 2010-7 A3 EUR3+60 22/11/70	2.72%
SUNRI 2018-1 A EUR1+45 27/07/42	2.62%

FUND SPECIFICS

Net Asset Value :	297 892 053.45 €
Net Asset Value (O Units) :	6 199 237.97 €
Liquidative Value:	18 483.60 €
ISIN Code :	LU0648560224
Legal Structure :	FCP - SIF, AIF
Inception Date of the fund :	June 30th 2006
Inception Date (O Units) :	April 30th 2011
Currency :	EUR
NAV calculation date :	Monthly, last calendar day of the month
Subscription / redemption :	Monthly
Minimum Commitment:	1 000 000.00 €
Minimum Notice Period:	3 months
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
Counsel in Investment:	CM-CIC Marchés
Depository Bank:	Banque de Luxembourg
Administrative Agent:	European Fund Administration
Auditor:	Deloitte Luxembourg

RISK PROFILE



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

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 the Credit Mutuel Alliance Fédérale, a major actor in the industry. Cigogne Management S.A. benefits from CM-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 - ABS/MBS Arbitrage aims to achieve stable and positive performances over time, uncorrelated from traditional asset classes by setting up Asset-Backed Securities (ABS) arbitrage strategies, Mortgage-Based Securities (MBS) strategies and Covered Bonds strategies.

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.

CONTACT

CIGOGNE MANAGEMENT S.A.

18 Boulevard Royal
L - 2449 Luxembourg
LUXEMBOURG

www.cigogne-management.com

contact@cigogne-management.com

