

# CIGOGNE FUND

## Credit Arbitrage

31/01/2024



Assets Under Management :

308 683 804.63 €

Net Asset Value (O Unit) :

21 380.77 €

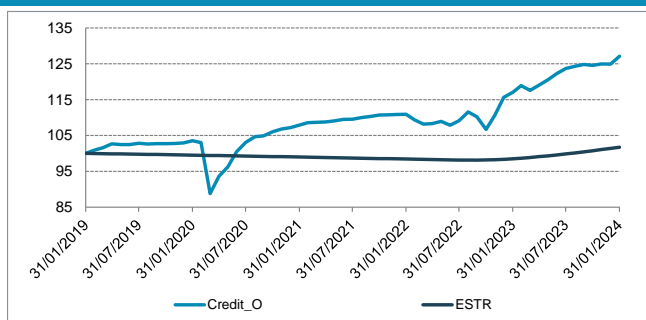
### PERFORMANCES

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2024	1.78%												1.78%
2023	1.23%	1.59%	-1.13%	1.23%	1.27%	1.41%	1.19%	0.48%	0.41%	-0.18%	0.31%	-0.06%	8.00%
2022	0.04%	-1.38%	-1.13%	0.14%	0.56%	-0.97%	1.19%	2.22%	-1.22%	-3.18%	3.71%	4.51%	4.30%
2021	0.69%	0.59%	0.11%	0.09%	0.28%	0.38%	0.04%	0.42%	0.29%	0.36%	0.05%	0.09%	3.43%
2020	0.60%	-0.50%	-13.81%	5.41%	2.84%	4.41%	2.57%	1.51%	0.27%	1.06%	0.72%	0.36%	4.14%

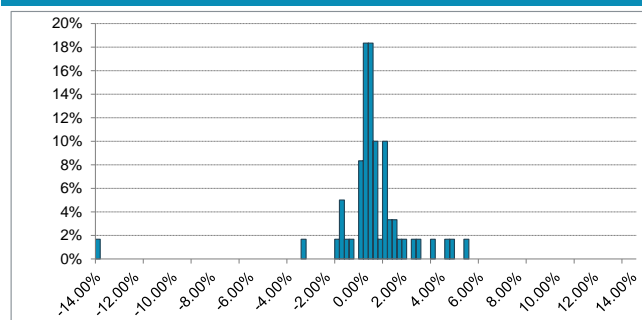
### PORTFOLIO STATISTICS SINCE 18/04/2008 AND FOR 5 YEARS

	Cigogne Credit Arbitrage		ESTR		HFRX Global Hedge Fund EUR Index	
	5 years	From Start	5 years	From Start	5 years	From Start
Cumulative Return	27.11%	113.81%	1.72%	5.08%	1.92%	-14.50%
Annualised Return	4.91%	4.91%	0.34%	0.31%	0.38%	-0.98%
Annualised Volatility	8.12%	5.96%	0.45%	0.35%	4.56%	5.47%
Sharpe Ratio	0.56	0.77	-	-	0.01	-0.24
Sortino Ratio	0.72	1.07	-	-	0.01	-0.30
Max Drawdown	-14.24%	-14.24%	-1.87%	-3.38%	-8.35%	-23.91%
Time to Recovery (m)	5	5	11	16	> 3	> 46
Positive Months (%)	78.33%	82.11%	26.67%	42.63%	55.00%	56.32%

### PERFORMANCE (Net Asset Value)



### DISTRIBUTION OF RETURNS (Monthly Basis)

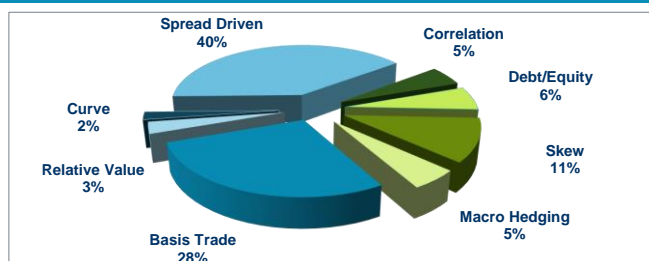


### INVESTMENT MANAGERS' COMMENTARY

Monthly performance for Cigogne Fund – Credit Arbitrage stood at +1.78%.

Throughout January, investors' eyes were firmly fixed on the many economic statistics being published. US job creation figures for December, released at the beginning of the month, far exceeded expectations, with 216,000 jobs created instead of the 175,000 anticipated. Moreover, the first estimate of US GDP for Q4–2023 also surpassed the consensus, posting an impressive annualised growth rate of 3.3% instead of the 2% forecast. These economic data confirm the robustness of the US economy and further reduce the risk of recession. This resilience should encourage the Fed to take a cautious approach to any future cuts in key rates in order to sustainably bring inflation back to its target. In Europe, the ECB kept its rates unchanged as expected. Some ECB members raised the possibility of an initial rate cut, but future decisions will be guided by inflation figures, particularly core inflation. Although very optimistic at the end of the year, these economic data led the market to slightly reduce its expectations of rate cuts for 2024, with the first move expected in the second quarter. German and US 10-year yields consequently rose by 14 bps and 3 bps respectively over the month, while equity markets gained 2.81% for the Euro Stoxx 50 and 1.59% for the S&P 500. Credit spreads remained stable overall, with a very slight spread of 1 bp for the index grouping European Investment Grade names. The primary market was particularly buoyant at the start of the year, with high issuance volumes. Indeed, Investment Grade issues were prolific on the US and European markets, with +\$200 billion and +€157 billion of new paper respectively. In an environment where expectations of rate cuts are high and investors have record levels of liquidity, demand was strong and quickly absorbed. This "risk-on" trend and the portfolio's rebuilding at the beginning of the year contributed to the relative tightening of credit spreads on bond securities. The sub-fund benefited from this slight tightening, posting a positive result thanks to the performance of basic arbitrage strategies and carry positions. This was particularly true of dollar-denominated bank bonds such as Credit Suisse 02/2025, Wells Fargo 04/2026 and Bank of America 10/2026, which appreciated strongly. The strong momentum of the primary market helped to renew the portfolio, with participation in numerous issues such as Mercedes-Benz 01/2027 in USD and Volvo Treasury 01/2026 in EUR. At the same time, the Credit-Equity speciality was strengthened by several strategies, including the purchase of IBM 02/29 and General Mills 1/27 bonds against options. Finally, to guard against a possible increase in credit spreads, a CDX IG S41 credit index options-based hedging strategy was implemented on the May 2024 maturity.

### ASSET BREAKDOWN



### CORRELATION MATRIX

	Cigogne Credit Arbitrage	ESTR	HFRX Global Hedge Fund EUR Index
Cigogne Credit	100.00%	9.96%	70.39%
ESTR	9.96%	100.00%	2.63%
HFRX HF Index	70.39%	2.63%	100.00%

# CIGOGNE FUND

## Credit Arbitrage

31/01/2024



INVESTMENT OBJECTIVES	FUND SPECIFICS
Strategies set forth in the Credit compartment are split across four core specialties: basis trade arbitrage consisting in taking advantage of the credit spread difference between a corporate bond and the CDS on the same issuer, relative value strategies which aim to exploit the difference in credit risk of an issuer (or a sector) against a peer issuer (or sector), correlation arbitrage consisting in taking a position on the probability of occurrence of specific and / or systemic risk while resorting to financial instruments which underlyings are credit instruments (credit indexes Itraxx, CDX, Index tranches, options), spread driven positions aiming at the tightening or widening of the credit spread of an issuer or an index.	<b>Net Asset Value :</b> € 308 683 804.63 <b>Net Asset Value (O Unit) :</b> € 81 785 912.14 <b>Liquidative Value (O Unit) :</b> € 21 380.77 <b>ISIN Code :</b> LU0648560497 <b>Legal Structure :</b> FCP - SIF, AIF <b>Inception Date of the fund :</b> April 18 <sup>th</sup> 2008 <b>Inception Date (O Unit) :</b> April 18 <sup>th</sup> 2008 <b>Currency :</b> EUR <b>NAV calculation date :</b> Monthly, last calendar day of the month <b>Subscription / redemption :</b> Monthly <b>Minimum Commitment:</b> € 125 000.00 <b>Minimum Notice Period:</b> 1 month <b>Management Fee:</b> 1,50% per annum <b>Performance Fee :</b> 20% above €STR with a High Water Mark <b>Country of Registration :</b> FR, LU <b>Management Company:</b> Cigogne Management SA <b>Investment Advisor:</b> CIC Marchés <b>Depositary Bank:</b> Banque de Luxembourg <b>Administrative Agent:</b> UI efa <b>Auditor:</b> KPMG Luxembourg
MAIN EXPOSURES (In percentage of gross asset base)	
BBVA 1.125% 18/09/2025	0.75%
BANCO SANTANDER MULTICP 30/06/2024	0.62%
JPMORGAN USSOFR 01/06/2025	0.51%
BOA MULTICP 24/10/2026	0.47%
INTESA SANPAOLO EUR3+80 16/11/2025	0.45%

RISK PROFILE
<div><div>Lower Risk</div><div>Higher Risk</div><div>Potentially lower Return</div><div>Potentially higher Return</div><div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div></div> <div>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.</div>

REASONS TO INVEST IN CIGOGNE CREDIT 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 - Credit Arbitrage aims to achieve stable and positive performances over time, uncorrelated from traditional asset classes by setting up basis trade arbitrage strategies, relative value strategies and correlation 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.

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