

# CIGOGNE FUND

Credit Arbitrage

30/04/2024



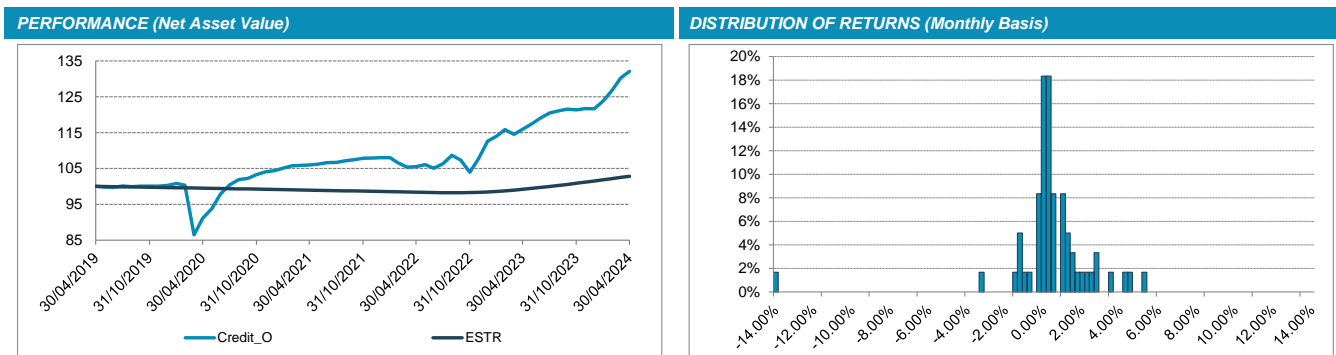
Assets Under Management :

330 877 063.33 €

Net Asset Value (O Unit) : 22 813.03 €

PERFORMANCES													
	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2024	1.78%	2.30%	2.83%	1.43%									8.60%
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	32.11%	128.13%	2.82%	6.09%	3.23%	-13.43%
Annualised Return	5.72%	5.26%	0.56%	0.37%	0.64%	-0.89%
Annualised Volatility	8.23%	5.97%	0.49%	0.37%	4.60%	5.44%
Sharpe Ratio	0.63	0.82	-	-	0.02	-0.23
Sortino Ratio	0.81	1.14	-	-	0.02	-0.29
Max Drawdown	-14.24%	-14.24%	-1.76%	-3.38%	-8.35%	-23.91%
Time to Recovery (m)	5	5	11	16	> 6	> 49
Positive Months (%)	78.33%	82.38%	31.67%	43.52%	55.00%	56.48%

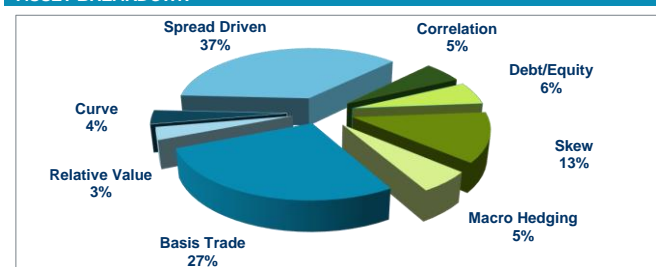


## INVESTMENT MANAGERS' COMMENTARY

The monthly performance of the Cigogne - Credit Arbitrage fund was +1.43%. Throughout April, the economic environment remained plagued by uncertainties surrounding the direction of monetary policies at the main central banks and by tensions in the Middle East. Activity continued to head in the right direction in the eurozone, with a composite PMI once again surprising by reaching 50.3 compared with the forecast of 49.9. Inflation continued to fall, as evidenced by the CPI core rate dropping from 3.1% in February to 2.9% in March. As a result, the ECB kept its key interest rates unchanged, in line with its stance since the beginning of the year. In the United States, economic data revealed persistent inflation in March, with the CPI core rate over the previous year remaining at 3.8% compared with the forecast of 3.7%. The jobs market continued to tighten, with unemployment at 3.8% in March compared with 3.9% in February. In light of this, the Federal Reserve adopted a less accommodative tone and revised its economic activity and inflation forecasts upwards. The market now expects only two 0.25-point key rate cuts in 2024, with the first of these not taking place before September. Against this backdrop, there has been less appetite for risky assets on the financial markets. The S&P 500 fell by 4.16% over the period, while the EURO STOXX 50 dropped by 3.19%. On the credit side, generic 5-year European investment grade spreads widened slightly by 1.5 bps. Following the less accommodative tone adopted by the Fed, there was an increase in rates on both sides of the Atlantic, with the German 10-year yield up by 29 bps and the US 10-year yield by 48 bps.

The Credit sub-fund began the second quarter with a very good performance. The European and US investment grade bond primary markets were less dynamic than in previous months, with gross issues of only €55 bn and \$110 bn respectively in April, evenly distributed between corporates and financial institutions. This relative lull in supply was beneficial for secondary market bonds. Investors continue to seek alpha before potential rate cuts. As a result, our basis trade arbitrage and carry strategies once again performed very well. Examples of strong performers during the month include the UniCredit 03/27 preferred bond against protection on the issuer on the banking side and the Volkswagen 01/26 bond on the corporate side. Portfolio renewal also continued, for example by way of our participation in the new 3-year Intesa preferred bonds and 2-year Toyota Motor bonds at attractive issue premiums. With a view to steepening credit curves, which are favourable in an environment of renewed volatility, we have initiated several investment strategies, including the Danske 4/27 bond against CDS 6/29. Lastly, and still with an eye to protecting the portfolio, several hedging strategies were put in place with the purchase of options on the European and US investment grade credit indices.

## ASSET BREAKDOWN



## CORRELATION MATRIX

	Cigogne Credit Arbitrage	ESTR	HFRX Global Hedge Fund EUR Index
Cigogne Credit	100.00%	16.64%	70.46%
ESTR	16.64%	100.00%	4.99%
HFRX HF Index	70.46%	4.99%	100.00%

# CIGOGNE FUND

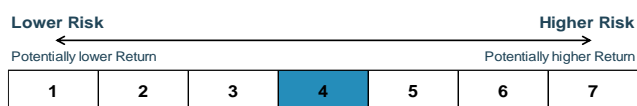
## Credit Arbitrage

30/04/2024



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> € 330 877 063.33 <b>Net Asset Value (O Unit) :</b> € 87 264 607.45 <b>Liquidative Value (O Unit) :</b> € 22 813.03 <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>Depository Bank:</b> Banque de Luxembourg <b>Administrative Agent:</b> UI efa <b>Auditor:</b> KPMG Luxembourg
<b>MAIN EXPOSURES (In percentage of gross asset base)</b>	
BBVA 1.125% 18/09/2025 0.76%	
BOA 1.197% 24/10/2026 0.48%	
BPCE EUR3+61 08/03/2027 0.48%	
TORONTO DOM BK EUR3+38 16/04/2026 0.48%	
UBS SOFR+126 21/02/2025 0.45%	

### 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 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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