

CIGOGNE FUND

Convertible Arbitrage

30/04/2024

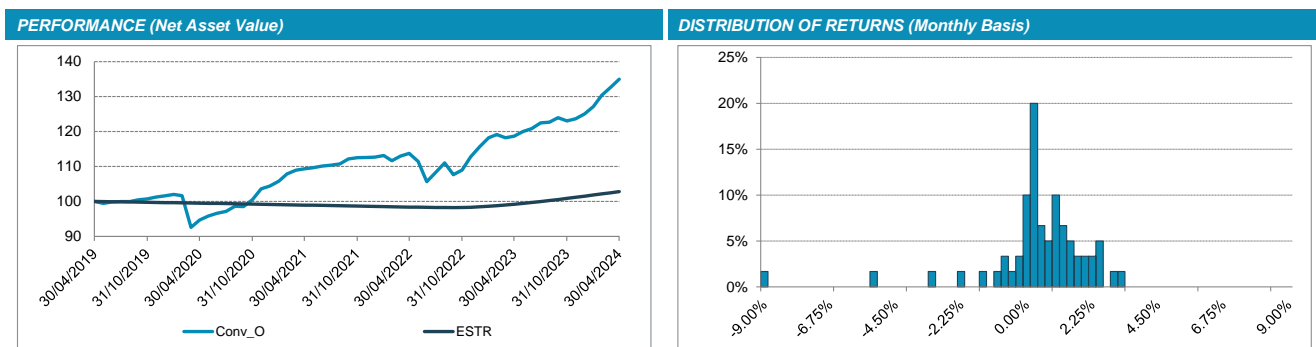


Assets Under Management : 308 101 124.80 €

Net Asset Value (O Unit) : 33 325.78 €

PERFORMANCES													
	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2024	1.68%	2.56%	1.77%	1.72%									7.96%
2023	2.22%	0.77%	-0.77%	0.38%	1.16%	0.66%	1.34%	0.19%	1.03%	-0.73%	0.48%	1.13%	8.11%
2022	0.41%	-1.32%	1.18%	0.68%	-2.05%	-5.17%	2.51%	2.50%	-3.03%	1.22%	3.49%	2.56%	2.62%
2021	1.37%	1.89%	1.02%	0.37%	0.27%	0.45%	0.20%	0.34%	1.32%	0.29%	0.05%	0.12%	7.95%
2020	0.44%	-0.37%	-8.93%	2.27%	1.27%	0.80%	0.49%	1.56%	-0.12%	2.04%	3.05%	0.79%	2.77%

PORTFOLIO STATISTICS FOR 5 YEARS / SINCE 31/07/2006						
	Cigogne Convertible Arbitrage		ESTR		HFRX Global Hedge Fund EUR Index	
	5 years	From Start	5 years	From Start	5 years	From Start
Cumulative Return	34.99%	233.26%	2.82%	15.08%	3.23%	-5.75%
Annualised Return	6.18%	6.63%	0.56%	0.75%	0.64%	-0.31%
Annualised Volatility	6.43%	12.43%	0.49%	0.45%	4.60%	5.42%
Sharpe Ratio	0.87	0.47	-	-	0.02	-0.20
Sortino Ratio	1.17	0.63	-	-	0.02	-0.26
Max Drawdown	-9.26%	-55.59%	-1.76%	-3.38%	-8.35%	-25.96%
Time to Recovery (m)	8	23	11	16	> 6	> 49
Positive Months (%)	81.67%	76.00%	31.67%	51.56%	55.00%	57.33%



INVESTMENT MANAGERS' COMMENTARY

The monthly performance of the Cigogne – Convertible Arbitrage fund was +1.72%.

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, the European generic 5-year credit indices widened by 1.5 bps for Investment Grade names and by 20.5 bps for High Yield names. Following the less accommodative tone adopted by the Fed, there was an increase in rates, with the German 10-year yield up by 29 bps and the US 10-year yield by 48 bps.

The Convertible sub-fund once again gained ground during the month. The majority of holdings did well, particularly in the finance portfolio, which helped to boost performance. We asked to convert the Swiss Re 06/2024 convertible bond into shares so that we could close the position and take a profit. In CoCos, the BBVA 6% bond was called by the issuer, as anticipated. To take advantage of the healthy outlook for Spanish banks, we chose to renew our exposure by taking out three new positions on Banco de Sabadell 5% C27, Santander 4.375% C26 and Caixa 5.25% C26. At the same time, market movements revealed new opportunities that we seized by making several switches. We exchanged the TUI 5.875% 03/29 bond for the TUI 5% 04/28 convertible bond to reduce sensitivity to that issuer. Following takeover rumours surrounding Nexi, we sold out of Nexi 1.75% 04/27 convertible bonds so we could buy Nexi 0% 02/28 and maximise our potential should a takeover materialise. We were active in the primary market by participating in the 4.375% 04/2029 issue by the cheese company Bel, which has a solid credit. The primary issue of Elo 5.875% 04/2028 also allowed us to set up a basis position by purchasing protection on the French retail company. Lastly, we also set up a new basis strategy on the attractively priced Rolls-Royce 5.75% 10/27 bond.

ASSET BREAKDOWN	CORRELATION MATRIX		
	Cigogne Convertible Arbitrage	ESTR	HFRX Global Hedge Fund EUR Index
Cigogne Convertible	100.00%	19.69%	74.63%
ESTR	19.69%	100.00%	4.99%
HFRX HF Index	74.63%	4.99%	100.00%

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INVESTMENT OBJECTIVES

The Convertible sub-fund is mainly built on convertible bonds arbitrage strategies. These take advantage of market anomalies that may occur between the various components of a convertible bond, namely the interest rate risk, the credit risk and the various risks related to the conversion option (equity risk, volatility, etc.).

Usually, this type of strategy consists in buying a convertible bond, hedging the equity risk by shorting the underlying, hedging the interest rate risk with a swap or with interest rate futures and, if necessary, buying the Credit Default Swap (CDS) on the credit-exposed portion. The Convertible sub-fund may benefit as well from some positions on High Yield segment.

The portfolio is composed of a high number of strategies, about 200 in average, that offer a large geographical and sectoral diversification.

MAIN EXPOSURES (In percentage of gross asset base)

ADNOC	4.13%
SELENA	2.27%
SAGERPAR	1.80%
ZALANDO SE	1.70%
POSEIDON	1.64%

FUND SPECIFICS

Net Asset Value :	€	308 101 124.80
Net Asset Value (O Unit) :	€	57 468 299.26
Liquidative Value (O Unit) :	€	33 325.78
ISIN Code :		LU0648560570
Legal Structure :		FCP - SIF, AIF
Inception Date of the fund :		July 31 st 2005
Inception Date (O Unit) :		July 31 st 2005
Currency :		EUR
NAV calculation date :		Monthly, last calendar day of the month
Subscription / redemption :		Monthly
Minimum Commitment :	€	125 000.00
Minimum Notice Period :		1 month
Management Fee :		1,50% per annum
Performance Fee :		20% above €STR with a High Water Mark
Country of Registration :		FR, LU
Management Company :		Cigogne Management S.A
Investment Advisor :		CIC Marchés
Depository Bank :		Banque de Luxembourg
Administrative Agent :		UI efa
Auditor :		KPMG 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 CONVERTIBLE 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 - Convertible Arbitrage aims to achieve stable and positive performances over time, uncorrelated from traditional asset classes by setting up convertible bond and mandatories arbitrage 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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