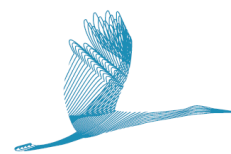


CIGOGNE FUND

Credit Arbitrage

31/12/2019



CIGOGNE
MANAGEMENT

Assets Under Management : 358 594 278,93 €

Net Asset Value (O Shares) : 17 312,81 €

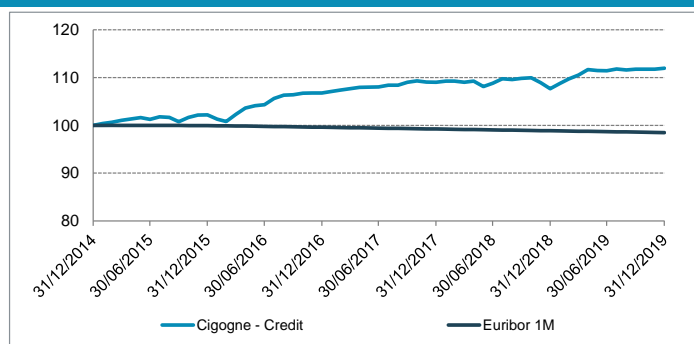
PERFORMANCES

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2019	1,04%	0,86%	0,74%	1,04%	-0,19%	-0,03%	0,35%	-0,19%	0,13%	0,00%	0,02%	0,16%	4,00%
2018	0,22%	0,03%	-0,23%	0,22%	-1,05%	0,63%	0,86%	-0,14%	0,24%	0,12%	-0,95%	-1,17%	-1,24%
2017	0,32%	0,26%	0,25%	0,30%	0,01%	0,04%	0,34%	0,01%	0,58%	0,26%	-0,24%	-0,05%	2,10%
2016	-0,88%	-0,50%	1,51%	1,28%	0,47%	0,17%	1,27%	0,65%	0,07%	0,34%	0,02%	-0,01%	4,45%
2015	0,39%	0,25%	0,42%	0,25%	0,31%	-0,39%	0,55%	-0,15%	-0,86%	0,88%	0,47%	0,07%	2,21%

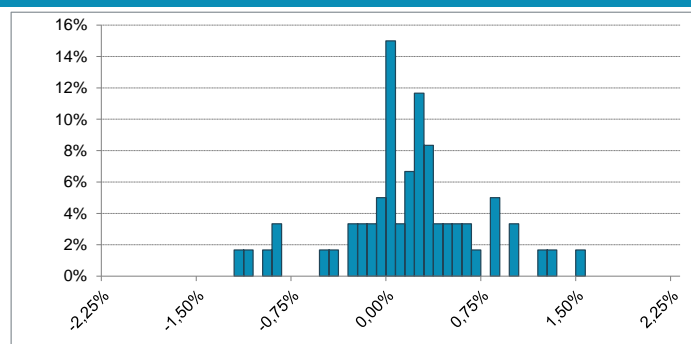
PORTFOLIO STATISTICS SINCE 18/04/2008 AND FOR 5 YEARS

	Cigogne Credit Arbitrage		Euribor 1M		HFRX Global Hedge Fund EUR Index		MSCI World AC TR EUR Index		Markit iBx 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	11,95%	73,13%	-1,52%	5,16%	-7,17%	-14,77%	61,40%	181,15%	10,26%	68,75%
Annualised Return	2,28%	4,78%	-0,31%	0,43%	-1,48%	-1,35%	10,04%	9,19%	1,97%	4,55%
Annualised Volatility	1,88%	4,51%	0,04%	0,34%	3,92%	5,65%	11,86%	12,81%	2,59%	3,62%
Sharpe Ratio	1,38	0,96	-	-	-0,30	-0,31	0,87	0,68	0,88	1,14
Sortino Ratio	2,65	1,55	-	-	-0,40	-0,39	1,51	1,14	1,81	2,12
Max Drawdown	-2,11%	-13,73%	-1,52%	-1,52%	-12,24%	-23,88%	-13,16%	-40,01%	-3,12%	-5,14%
Time to Recovery (m)	3	5	-	-	> 12	> 132	14	21	6	3
Positive Months (%)	73,33%	82,98%	3,33%	58,87%	58,33%	57,45%	63,33%	65,25%	53,33%	63,83%

PERFORMANCE (Net Asset Value)



DISTRIBUTION OF RETURNS (Monthly Basis)

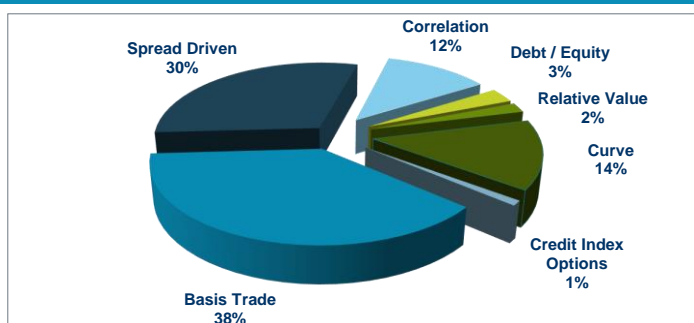


INVESTMENT MANAGERS' COMMENTARY

The performance of the Cigogne – Credit Arbitrage fund stands at +0.16%.

Continuing the trend seen in the previous year, 2019 was marked by the resurgence of US protectionism and the tribulations concerning Brexit in Europe. These factors, highlighting the deterioration in the economic outlook and the fragility of the global equilibrium, led the main central banks to take accommodative monetary policy measures. As a consequence, the Fed cut its key rates three times, while the ECB lowered its rates once and reinstated unconventional measures (the asset repurchase programme). These decisions led to the continuation of a low-rate environment in which opportunities for positive returns were scarce, particularly during the third quarter. Equity markets reached historic levels. Corporate credit spreads tightened and the generic 5-year iTraxx Main index ended the year at 44 bps versus 87 bps as at 31/12/2018. The level in 2018 was still marked by a brutal aversion to risk triggered by the trade war, though. The end of 2019 proved less troubled, with a relative lull in geopolitical terms (with a proposal for a Phase 1 agreement between the United States and China, and Boris Johnson's victory in the elections) and prospects of growth stabilisation. During December, basis arbitrage activity posted solid results, particularly due to the strong performance of cash, which tightened more than synthetics despite a final quarter heavily loaded with primary issues. Investor appetite was mainly due to a fall in tensions and an improvement in the economic outlook. Within the directional portfolio, two new investments were made in the Amgen 05/22 and Goldman Sachs 01/22 issues, and the position in BPCE 05/22 was strengthened. The speciality was also marked by the expiry of several short positions of protection maturing in December 2019 (BNP, Generali and Credit Suisse). The debt/equity segment developed well and a new strategy was introduced on the CDX High Yield against the future contract on the US Russell 2000 index. The strategy on the insurance company Axa initiated the previous month was removed with a positive result. Finally, the correlation speciality benefited from the solid performance by defensive short positions, and in particular the sale of the 6-12% tranche of the 5Y Main S30 index.

ASSET BREAKDOWN



CORRELATION MATRIX

	Cigogne Credit	Euribor 1M	HFRX HF Index	MSCI World Index	Markit iBx Corp. Index
Cigogne Credit	100%	0%	49%	53%	41%
Euribor 1M	0%	100%	-12%	-2%	-7%
HFRX HF Index	49%	-12%	100%	77%	35%
MSCI World Index	53%	-2%	77%	100%	43%
Markit iBx Corp. Index	41%	-7%	35%	43%	100%

CIGOGNE FUND

Credit Arbitrage

31/12/2019



INVESTMENT OBJECTIVES

Arbitrage strategies set forth in the Credit compartment are split across three core specialities: 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 which consists 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). The portfolio is composed of high quality notes on which opportunistic directional trades can also be implemented from time to time.

FUND SPECIFICS

Net Asset Value :	358 594 278,93 €
Net Asset Value (O Units) :	73 081 722,31 €
Liquidative Value:	17 312,81 €
ISIN Code :	LU0648560497
Legal Structure :	FCP - SIF, AIF
Inception Date of the fund :	April 18th 2008
Inception Date (O Units) :	April 18th 2008
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

MAIN EXPOSURES (In percentage of gross asset base)

BPCE SA USL3+88 31/05/2022	0,86%
INTESA SANPAOLO EUR3+95 19/04/22	0,69%
JPMORGAN CHASE CO USL3+55 9/3/21	0,66%
SOCIETE GENERALE 0% 27/05/2022	0,63%
VW INTL FIN NV 0.5% 30/03/21	0,56%

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 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 - 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.

CONTACT

CIGOGNE MANAGEMENT S.A.
18 Boulevard Royal
L - 2449 Luxembourg
LUXEMBOURG

www.cigogne-management.com

contact@cigogne-management.com

