

CIGOGNE FUND

M&A Arbitrage

31/12/2019



Assets Under Management : 356 404 471.35 €

Net Asset Value (O Shares) : 44 548.20 €

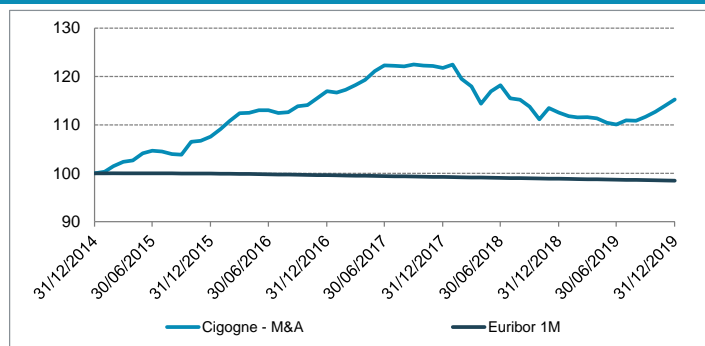
PERFORMANCES

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2019	-0.66%	-0.19%	0.03%	-0.24%	-0.81%	-0.32%	0.77%	-0.06%	0.73%	0.90%	1.11%	1.17%	2.43%
2018	0.54%	-2.39%	-1.31%	-3.03%	2.21%	1.12%	-2.32%	-0.25%	-1.23%	-2.31%	2.09%	-0.83%	-7.60%
2017	-0.25%	0.47%	0.84%	0.90%	1.51%	0.99%	-0.05%	-0.11%	0.32%	-0.17%	-0.09%	-0.31%	4.11%
2016	1.46%	1.52%	1.45%	0.09%	0.47%	-0.01%	-0.48%	0.13%	1.08%	0.23%	1.22%	1.30%	8.75%
2015	0.33%	1.12%	0.89%	0.27%	1.47%	0.49%	-0.16%	-0.50%	-0.12%	2.59%	0.18%	0.81%	7.58%

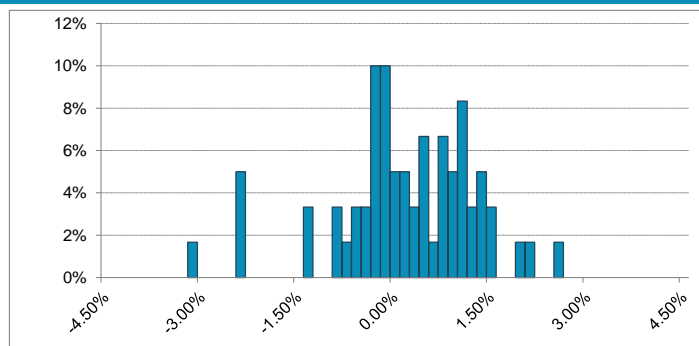
PORTFOLIO STATISTICS SINCE 31/12/2004 AND FOR 5 YEARS

	Cigogne M&A 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	15.27%	344.93%	-1.52%	16.21%	-7.17%	-7.89%	61.40%	227.51%	10.26%	80.31%
Annualised Return	2.88%	10.46%	-0.31%	1.01%	-1.48%	-0.55%	10.04%	8.22%	1.97%	4.01%
Annualised Volatility	3.82%	10.04%	0.04%	0.45%	3.92%	5.53%	11.86%	12.48%	2.59%	3.37%
Sharpe Ratio	0.83	0.94	-	-	-0.30	-0.28	0.87	0.58	0.88	0.89
Sortino Ratio	1.38	2.82	-	-	-0.40	-0.37	1.51	0.95	1.81	1.67
Max Drawdown	-10.12%	-10.12%	-1.52%	-1.52%	-12.24%	-25.93%	-13.16%	-48.81%	-3.12%	-5.80%
Time to Recovery (m)	> 6	> 6	-	-	> 12	> 132	14	48	6	4
Positive Months (%)	58.33%	75.56%	3.33%	67.78%	58.33%	58.33%	63.33%	64.44%	53.33%	61.67%

PERFORMANCE (Net Asset Value)



DISTRIBUTION OF RETURNS (Monthly Basis)



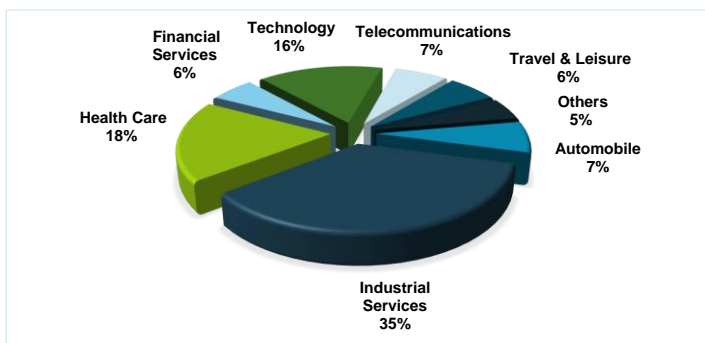
INVESTMENT MANAGERS' COMMENTARY

Although volumes of M&A activity in 2019 remained at similar levels to those seen in the previous financial year, they showed a disparity in activity between the US zone (+6%), Europe (-25%) and Asia (-15%). In addition, jumbo deals took place exclusively in the US and only involved US buyers. At the same time, as expected, delays surrounding Brexit and the trade war held back concentrations in Europe and limited cross-border transactions.

Carrying on from an intense November, December also contributed to strengthening our investment universe. The expected concentration in the automotive sector through the merger of the national giants Peugeot and Fiat Chrysler Automobiles was finally formalised on 18 December. On the same day, the Japanese industrial giant Hitachi accepted the offer of approximately \$8 billion from its compatriot Showa Denko for its Hitachi Chemical subsidiary.

The main contributor to performance for the month was Tallgrass Energy, a company specialising in the transportation of oil and natural gas. In fact, the new price offered by a Blackstone-led consortium pushed the company's share price up by more than 20%. With its risk-reward ratio now losing its attractiveness, we exited the position. The sub-fund also benefited from the increase in offer prices on the Scandinavian companies Hovitatil and Opus Group in the small-cap segment. In addition, the private equity group Onex finalised the acquisition of the WestJet airline following approval by the Canadian Transportation Agency. The rapid payment of the transaction resulted in a net capital gain. Finally, the discount on the privatisation of Cobham by Advent International was greatly reduced. The outcome of the UK elections and the resulting large majority of Conservative MPs in the House of Commons greatly reduced the risk of political disturbance on this security and increased visibility on the timing of the transaction. At the end of the year, a significant number of strategies were settled, boosting the sub-fund's performance in 2019. Exposures to Cineplex and Interxion/Digital Realty in particular were initiated as replacements.

ASSET BREAKDOWN



CORRELATION MATRIX

	Cigogne M&A	Euribor 1M	HFRX HF Index	MSCI World Index	Markit iBx Corp. Index
Cigogne M&A	100%	19%	36%	25%	0%
Euribor 1M	19%	100%	-12%	-2%	-7%
HFRX HF Index	36%	-12%	100%	77%	35%
MSCI World Index	25%	-2%	77%	100%	43%
Markit iBx Corp. Index	0%	-7%	35%	43%	100%

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INVESTMENT OBJECTIVES

Mergers and Acquisitions Arbitrage (M&A Arbitrage) strategies are designed to take advantage of price differences that may occur during merger and acquisition transactions. Based on a solid and detailed analysis of the legal and economic framework as well as the competitive environment, the operations initiated are held until their effective dates. The portfolio essentially focuses on declared and friendly M&A situations and initiated strategies consist in acquiring shares of the target company (or selling them if we expect the bid to fail).

The fund may also invest on corporate action arbitrage relative to capital increase operations. This arbitrage consist in buying the right while selling the underlying.

MAIN EXPOSURES (In percentage of gross asset base)

COBHAM	11.42%
ZAYO GROUP HOLDINGS	6.75%
WABCO HOLDINGS	5.50%
ALLERGAN / ABBVIE	5.12%
EI GROUP	4.20%

FUND SPECIFICS

Net Asset Value :	356 404 471.35 €
Net Asset Value (O Units) :	39 681 637.64 €
Liquidative Value:	44 548.20 €
ISIN Code :	LU0648563830
Legal Structure :	FCP - SIF, AIF
Inception Date of the fund :	November 16th 2004
Inception Date (O Units) :	November 16th 2004
Currency :	EUR
NAV calculation date :	Monthly, last calendar day of the month
Subscription / redemption :	Monthly
Minimum Commitment:	1 000 000.00 €
Minimum Notice Period:	1 month
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

Fund subscriptions are closed

RISK PROFILE

Lower Risk							Higher Risk
Potentially lower Return							Potentially higher Return
1	2	3	4	5	6	7	

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 M&A 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 - M&A Arbitrage aims to achieve stable and positive performances over time, uncorrelated from traditional asset classes by setting up arbitrage strategies taking advantage of disrupted and modified interest rate curves.

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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