

# CIGOGNE FUND

## Fixed Income Arbitrage

30/04/2024

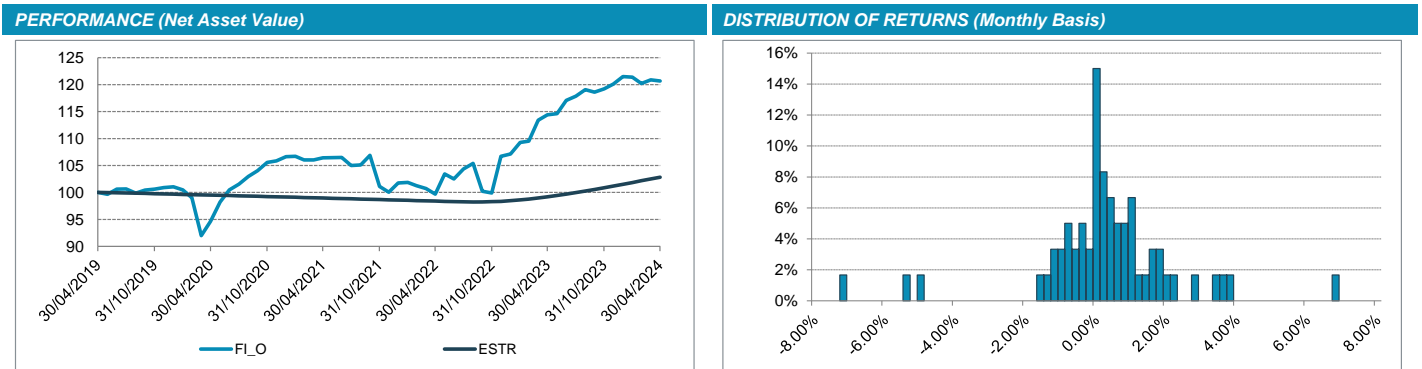


Assets Under Management : 179 727 598.06 €

Net Asset Value (O Unit) : 17 821.17 €

PERFORMANCES													
	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2024	-0.09%	-0.98%	0.56%	-0.18%									-0.68%
2023	1.98%	0.24%	3.53%	0.88%	0.20%	2.14%	0.66%	1.03%	-0.37%	0.51%	0.74%	1.17%	13.40%
2022	0.11%	-0.61%	-0.54%	-1.02%	3.77%	-0.92%	1.82%	0.98%	-4.91%	-0.30%	6.81%	0.41%	5.29%
2021	0.06%	-0.64%	0.01%	0.35%	0.04%	0.03%	-1.40%	0.08%	1.70%	-5.40%	-1.05%	1.71%	-4.58%
2020	-0.57%	-1.43%	-7.11%	2.89%	3.80%	2.25%	1.07%	1.40%	1.04%	1.49%	0.26%	0.76%	5.55%

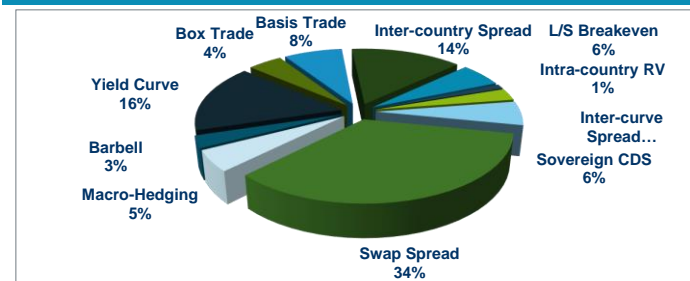
PORTFOLIO STATISTICS SINCE 31/12/2004 AND FOR 5 YEARS						
	Cigogne Fixed Income Arbitrage		ESTR		HFRX Global Hedge Fund EUR Index	
	5 years	From Start	5 years	From Start	5 years	From Start
Cumulative Return	20.67%	78.09%	2.82%	16.41%	3.23%	-6.44%
Annualised Return	3.82%	3.03%	0.56%	0.79%	0.64%	-0.34%
Annualised Volatility	6.99%	10.19%	0.49%	0.44%	4.60%	5.38%
Sharpe Ratio	0.47	0.22	-	-	0.02	-0.21
Sortino Ratio	0.72	0.32	-	-	0.02	-0.28
Max Drawdown	-8.96%	-33.08%	-1.76%	-3.38%	-8.35%	-25.96%
Time to Recovery (m)	4	7	11	16	> 6	> 49
Positive Months (%)	68.33%	67.24%	31.67%	53.02%	55.00%	57.33%



### INVESTMENT MANAGERS' COMMENTARY

The performance of the Cigogne-Fixed Income Arbitrage fund was -0.18%. April saw a sharp decline in investor expectations that key interest rates might be about to fall. In the United States, there was another surprise increase in inflation revealed by the March CPI data published on 10 April, with the index remaining some way off the Fed's 2% target. Jerome Powell said a restrictive monetary policy was needed for a little longer because the labour market remained really strong. Following these events, by the end of April, the market was largely expecting just a single cut in key interest rates before the end of the year, whereas three cuts had been predicted at the end of March. In Europe, there were no surprises from Christine Lagarde at the central bank's meeting on 11 April. Rates remained unchanged but the language used clearly sought to pave the way for a reduction in key rates. However, the publication of April's preliminary eurozone PMI indices on 24 April pointed towards a recovery in activity. The composite eurozone index showed a considerable increase. This more favourable environment also means that the ECB is less likely to rush into cutting its key interest rates. With that in mind, by the end of the month, investors were anticipating one fewer rate cut than at the end of March. This environment had the opposite effect to the previous month and negatively impacted the portfolio, especially in the second half of the month. The publication of March CPI data weighed on strategies tied to lower inflation and real rates in the US (and the UK by contagion). The lowered expectations of rate cuts before the end of the year led to a rise in short-term rates and therefore flatter curves. This had a negative impact on steepening strategies via swaps such as 5 years against 30 years US and EUR, but also short strategies on short-term rates via SOFR and SONIA futures maturing in December 2024. The repricing of US rates also prompted wider credit spreads in emerging countries, resulting in large protection-buying flows from investors who wanted to shield themselves from longer-term widening. These flows benefited our basis arbitrage strategies, enabling us to take some profit on CDS. These have been replaced by sales of very-long-term maturity papers with risk premiums that are currently still low. Examples include profit-taking on 5-year CDS from Chile, Peru, Mexico and Brazil, replaced by sales of papers such as Chile 2042 and Brazil 2054.

### ASSET BREAKDOWN



### CORRELATION MATRIX

	Cigogne Fixed Income Arbitrage	ESTR	HFRX Global Hedge Fund EUR Index
Cigogne Fixed Income	100.00%	12.36%	45.41%
ESTR	12.36%	100.00%	4.99%
HFRX HF Index	45.41%	4.99%	100.00%

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INVESTMENT OBJECTIVES	FUND SPECIFICS										
Strategies implemented in the Fixed Income compartment consist in benefiting from modified shapes of the interest rate curves: yield curve arbitrage, inter-country arbitrage, government bond against swap, basis trade on sovereign issuer, inflation arbitrage and so forth. This approach does essentially resort to vehicles such as government bonds, interest rates futures and swaps, credit default swaps and cross currency swaps. The portfolio is structured around twelve specialities with 120 single strategies on average. The investment universe focuses on sovereign issuers in the Eurozone, the G7 and more generally to national and supranational issuers.	<b>Net Asset Value :</b> € 179 727 598.06 <b>Net Asset Value (O Unit) :</b> € 41 965 853.58 <b>Liquidative Value (O Unit) :</b> € 17 821.17 <b>ISIN Code :</b> LU0648560141 <b>Legal Structure :</b> FCP - SIF, AIF <b>Inception Date of the fund :</b> November 14 <sup>th</sup> 2004 <b>Inception Date (O Unit) :</b> November 14 <sup>th</sup> 2004 <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										
MAIN EXPOSURES (In percentage of gross asset base)											
<table border="1"><tbody><tr><td>Canada</td><td>20.88%</td></tr><tr><td>United States</td><td>11.50%</td></tr><tr><td>Spain</td><td>7.52%</td></tr><tr><td>France</td><td>6.12%</td></tr><tr><td>Austria</td><td>4.58%</td></tr></tbody></table>	Canada	20.88%	United States	11.50%	Spain	7.52%	France	6.12%	Austria	4.58%	
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RISK PROFILE								
<p>Lower Risk ← Higher Risk</p> <p>Potentially lower Return ← Potentially higher Return</p> <table border="1"><tbody><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr></tbody></table>	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.
1	2	3	4	5	6	7		

**REASONS TO INVEST IN CIGOGNE FIXED INCOME 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 - Fixed Income Arbitrage aims to achieve stable and positive performances over time, uncorrelated from traditional asset classes by setting up sovereign bonds and interbank rates 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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