

CIGOGNE UCITS

M&A Arbitrage

Monthly Factsheet - April 2024



Assets Under Management : \$

70 781 759

Net Asset Value - D1 Shares : \$ 1 220.24

INVESTMENT OBJECTIVES

The sub-fund's objective is to generate regular returns not correlated with the main market trends, in a context of risk controls. The choice of the assets is guided by an arbitration of mergers and/or acquisitions, consisting in benefiting from the price differences, which can appear at the time of takeover bids or exchange. Based on a solid and detailed analysis of the economic, legal and competitive frameworks, initiated operations are mainly held until the finalization of the offer. The portfolio only focuses on declared M&A situations. Initiated strategies consist in acquiring shares of the target company (cash offer) and selling shares of the acquirer (stock, cash and stock offer) or conversely if we expect the bid to fail. The sub-fund may also develop strategies on corporate action arbitrage such as preferential subscription rights.

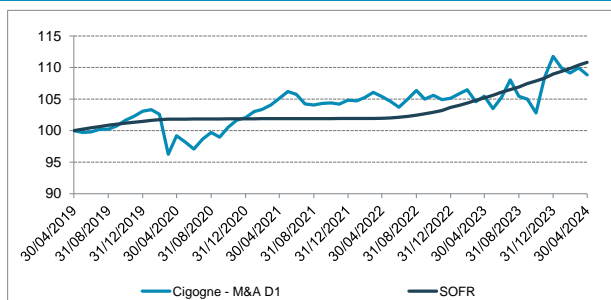
PERFORMANCES

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2024	-1.72%	-0.65%	0.75%	-1.02%									-2.63%
2023	0.67%	0.60%	-1.78%	0.85%	-1.87%	1.69%	2.65%	-2.39%	-0.43%	-2.07%	5.44%	3.10%	6.31%
2022	-0.10%	0.50%	0.79%	-0.62%	-0.75%	-0.88%	1.21%	1.33%	-1.29%	0.59%	-0.65%	0.20%	0.29%
2021	0.95%	0.32%	0.69%	0.99%	1.04%	-0.43%	-1.43%	-0.16%	0.23%	0.10%	-0.18%	0.59%	2.71%
2020	0.25%	-0.73%	-6.17%	3.07%	-1.05%	-1.12%	1.62%	1.09%	-0.75%	1.60%	1.09%	0.40%	-0.98%

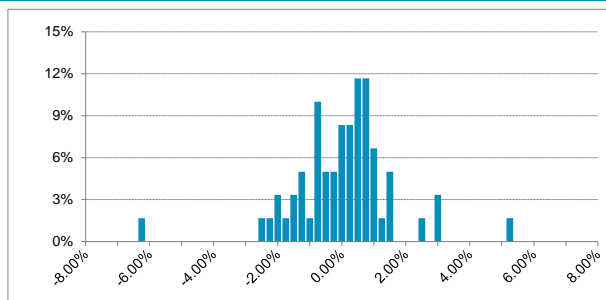
PORTFOLIO STATISTICS SINCE 04/04/2014

	Cigogne UCITS - M&A Arbitrage		SOFR		HFRX Global Hedge Fund USD Index	
	5 years	From Start	5 years	From Start	5 years	From Start
Cumulative Return	8.83%	22.02%	10.82%	15.74%	17.11%	16.07%
Annualised Return	1.70%	2.00%	2.07%	1.46%	3.21%	1.49%
Annualised Volatility	6.56%	4.98%	0.28%	0.23%	4.35%	4.16%
Sharpe Ratio	-0.06	0.11	-	-	0.26	0.01
Sortino Ratio	-0.09	0.16	-	-	0.35	0.01
Max Drawdown	-12.32%	-13.40%	-	-	-10.58%	-10.83%
Time to Recovery (m)	10,15	12,92	-	-	5,54	6,92
Positive Months (%)	60.00%	66.12%	100.00%	100.00%	68.33%	64.46%

PERFORMANCE (NAV)



DISTRIBUTION OF MONTHLY RETURNS



INVESTMENT MANAGERS' COMMENTARY

Although several large bids made the headlines in April (BHP Group's \$36 bn offer for Anglo American and a private equity consortium's \$26 bn approach for Paramount, in particular), none of them has turned into a binding offer. However, our investment universe was strengthened by the announcement of several major transactions, including Johnson & Johnson's acquisition of Shockwave Medical for \$12.3 bn and International Paper's bid valuing British packaging company DS Smith at more than \$9.3 bn.

Although monthly performance ended up around breakeven, April was still a difficult month. Major deals, such as Capri Holdings and United States Steel in particular, saw their discount widen over the period. First, the Federal Trade Commission has moved to block Tapestry's acquisition of Capri Holding. To that end, it brought a legal action arguing primarily that the deal would eliminate competition in the "accessible luxury" segment, to which the Coach, Kate Spade and Michael Kors brands belong. Although 70% hedged by options, our exposure to the multinational fashion company significantly harmed the portfolio's monthly performance. Second, the mega-merger between US Steel and Nippon Steel has gone quiet, making investors more concerned about whether the deal will be finalised. Once again, political developments and multiple interventions on the matter by senators now provide the backdrop to the review of the merger by the Committee on Foreign Investment in the United States (CFIUS). With the current lack of transparency surrounding the deal, we are retaining a minimal holding in the company, even though its shares are trading at a discount of close to 50%. However, several pieces of good news helped to offset the downward trend in performance and deliver a positive monthly performance. The construction sector information software developer Byggfakta Group Nordic saw a 13% increase in the takeover price offered by a private equity consortium. Two payments right at the end of the month boosted monthly performance. The performance for April was hugely impacted by the receipt of an additional payment on Achillion Pharmaceuticals following its incorporation by Alexion Pharmaceuticals in July 2021 and the receipt of a class action payment relating to the privatisation of JA Solar Holdings, which was finalised in July 2018. We have remained active in this widespread increase of M&A discounts by investing in older strategies such as Inhibrx, latter-stage strategies such as JSR or lower-cap strategies such as the UK self-storage company Lok'nStore Group.

MAIN POSITIONS

TARGET	ACQUIRER	WEIGHT	PAYMENT TYPE	TARGET SECTOR	GEOGRAPHICAL ZONE
OUTSOURCING	PRIVATE EQUITY	4.71%	Cash	Industrial Services	Asia
BENESSE HOLDINGS	PRIVATE EQUITY	4.42%	Cash	Consumer Products	Asia
JSR CORP	JAPAN INVESTMENT	3.89%	Cash	Chemicals	Asia
NATIONAL WESTERN LIFE GROUP	PROSPERITY LIFE INSURANCE	3.78%	Cash	Insurance	United States
ADEVINTA	PRIVATE EQUITY	3.44%	Cash	Consumer Products	Scandinavia

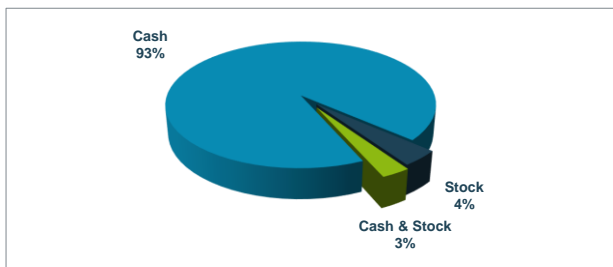
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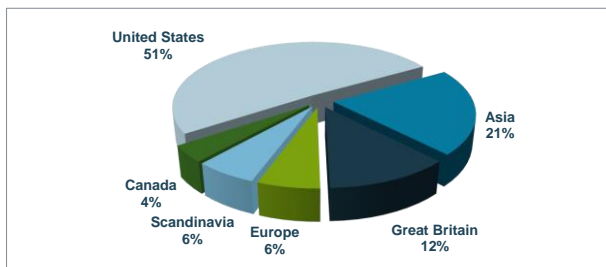
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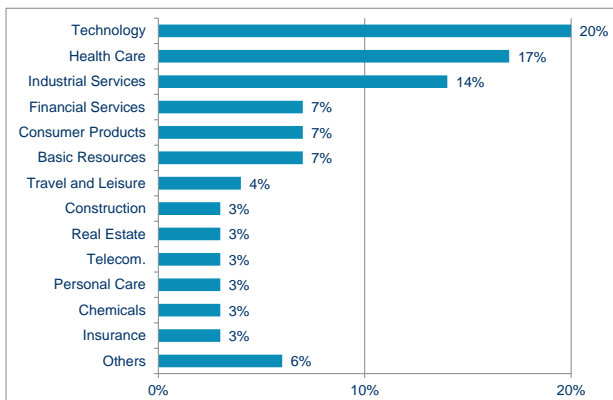
PAYMENT TYPE



GEOGRAPHICAL BREAKDOWN



SECTORIAL BREAKDOWN



PORTFOLIO STATISTICS

Number of strategies	124
New strategies	23
Closed strategies	18
Time to completion (days)	94
Small Cap (<750 MUSD)	33%
Large Cap (>750 MUSD)	67%

RISK PROFILE



The risk category has been determined on the basis of historical and simulated 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.

CHARACTERISTICS

Management Company	Cigogne Management SA	ISIN code	LU0893376821
Advisor	CIC Marchés	Management Fee	1,50%
Domiciliation	Luxembourg	Performance Fees	20% above SOFR with a High Water Mark
Fund's Inception Date	March 2013	Subscription Fee	Up to 2%
Legal Form	SICAV UCITS	Redemption Fee	None
Valuation	Weekly, every Friday	Minimum Subscription	EUR 1.000
Liquidity	Weekly	Subsequent Subscription	EUR 1.000
Cut-Off	2 Business Days	Country of Registration	LU, FR, BE, DE
Depository Bank	Banque de Luxembourg		
Administrative Agent	UI efa		
Auditor	KPMG Luxembourg		

DISCLAIMER

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