

**Annual report including audited financial statements
as at 31st December 2018**

STORK FUND

Investment Company with Variable Share Capital - Specialised Investments
Funds (SICAV-SIF)

R.C.S. Luxembourg B191479



CIGOGNE
MANAGEMENT

Alternative Investment Fund Manager: CIGOGNE MANAGEMENT S.A.
R.C.S. Luxembourg B 101 547

Subscriptions for Shares are to be made on the basis of the Offering Document and Articles of Incorporation accompanied by the latest annual report including audited financial statements. Copies of the complete Offering Document and the latest annual report including audited financial statements may be obtained, free of charge, upon request at the registered office.

STORK FUND

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STORK FUND

Organisation

Registered Office

18, Boulevard Royal
L-2449 LUXEMBOURG

Board of Directors of the Company

Georges VANDERMARLIERE
CM-CIC Market Solutions
Responsable Commercial- Libre Arbitre
CREDIT INDUSTRIEL ET COMMERCIAL (CIC)
6, Avenue de Provence
F-75009 PARIS

Guillaume BINNENDIJK
Directeur
Responsable de la Gestion des Risques
CIGOGNE MANAGEMENT S.A.
18, Boulevard Royal
L-1724 LUXEMBOURG

Joffrey CZURDA
Directeur
Responsable des Investissements
CIGOGNE MANAGEMENT S.A.
18, Boulevard Royal
L-2449 LUXEMBOURG

Alternative Investment Fund Manager ("AIFM")

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

Board of Directors of the AIFM

Chairman

Olivier VAILLANT
Directeur Général
CM-CIC ASSET MANAGEMENT
4, Rue Gaillon
F-75002 PARIS

Directors

Ruth BÜLTMANN
Independent Director
40, Rue d'Ernster
L-6977 OBERANVEN

Hugues DUBLY
DUBLY DOUILHET GESTION
50, Boulevard de la Liberté
F-59800 LILLE

Georges ENGEL
CONVENTUM ASSET MANAGEMENT
9, Boulevard Prince Henri
L-1724 LUXEMBOURG

STORK FUND

Organisation (continued)

Managing Directors of the AIFM

Guillaume BINNENDIJK
CIGOGNE MANAGEMENT S.A.
18, Boulevard Royal
L- 2449 LUXEMBOURG

Joffrey CZURDA
CIGOGNE MANAGEMENT S.A.
18, Boulevard Royal
L- 2449 LUXEMBOURG

Georges VANDERMARLIERE
CREDIT INDUSTRIEL ET COMMERCIAL (CIC)
6, Avenue de Provence
F-75009 PARIS

Domiciliary Agent

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

Depository and Central Administration

BANQUE DE LUXEMBOURG
Société Anonyme
14, Boulevard Royal
L-2449 LUXEMBOURG

Central Administration's Subcontractor

EUROPEAN FUND ADMINISTRATION S.A.
2, Rue d'Alsace
L-1122 LUXEMBOURG

Cabinet de révision agréé

DELOITTE Audit
Société à responsabilité limitée
560, Rue de Neudorf
L-2220 LUXEMBOURG

STORK FUND

Report on activities of the Board of Directors

The Board of Directors of STORK FUND (the "Company") examined the Company's financial statements for 2018. Assets under management as of 31st December 2018 stand at EUR 2,045 billion.

2018 has been characterized by a growing amount of doubts and uncertainties about global economic growth. Although the year started on an optimistic note, following a year of accelerating expansion, monetary policies normalization and various geopolitical issues triggered a sharp rise in volatility. American protectionism led to trade disputes with major economies such as China and the European Union. At the end of the year, the issue about the U.S. - Mexico border wall started the longest U.S. government shutdown. In Europe, negotiations about Brexit, the Italian budget as well as the migrant crisis contributed to affect global environment. The Turkish currency and debt crisis also increased those uncertainties. In this troubled environment, stock markets around the world experienced a great amount of volatility throughout the year and credit spreads widened. Central banks became more careful about the rise in interest rates and policy normalization. With fears of economic slowdown arising, our Sub-Fund posted mixed results. 2018 will be remembered as a challenging year with numerous political tensions threatening global economic growth and leading central banks to adapt or at least postpone the normalization of their policy.

The hedge fund industry posted a record level of assets under management in Q3 2018 with a total of USD 3,620 billion, before falling to USD 3,530 billion as at November 2018 (source: Prequin). These figures suggest that in spite of a complicated year and negative returns at the end of the period, hedge funds continue to provide investors with a protection against an economic slowdown. The HFRX Global Hedge Fund EUR Index (a diversified index weighted by assets designed to represent the global composition of the alternative funds universe), registered a -9.93% performance over the year.

The global economic situation affected as well the Sub-Fund STORK FUND - Dynamic Multi-Strategies and the Sub-Fund STORK FUND - Protective Multi-Strategies. Assets under management reached EUR 2,045 billion and full-year performance was down -2.81% for the Sub-Fund STORK FUND - Dynamic Multi-Strategies and down -3.56% for the Sub-Fund STORK FUND - Protective Multi-Strategies with 36-month volatility under 2%.

Throughout the year, volatility control was one of our major issues in order to remain decorrelated from traditional markets. In this complicated context, the resilience of our Sub-Funds proved to be disparate:

- The CIGOGNE FUND - ABS / MBS Arbitrage Sub-Fund closed the 2018 financial year with a receding performance (-2.44%). In the first semester, credit assets, including those from securitization, held up well during the ECB's quantitative easing tapering. Mario Draghi wanted to reassure investors by maintaining his forward guidance and announced that interest rates will remain at current levels for as long as deemed necessary. In the summer, a first sell-off in the bond markets occurred after the coalition of populist parties in Italy. The trade war waging between Beijing and Washington, and its gloomy consequences for global growth, have been a major source of volatility and have led to spreads widening. The lack of liquidity amplified this movement, especially affecting Italian securitizations and those from peripheral countries. As the European Union awaits 1st January 2019 for the regulations on simple, transparent and standardized (STS) securitizations to come into effect, issues on the European ABS market have increased during the last months of 2018.
- The CIGOGNE CLO ARBITRAGE - EUROPE Sub-Fund posted a negative performance in 2018 (-1.24%). The European primary market for securitizations backed by leveraged loans remained highly active, with new issuances meeting again with pre-crisis levels (EUR 26.95 billion in new issues). In a low interest rates environment, investors focused on assets with optimal risk / return ratios and thus contributed to the dynamism of the primary market. As in the case of "vanilla" ABS, the rise of Italian political risk and the ongoing US-China trade war are the main reasons for credit spreads widening, of about sixty bps on AAA 5Y Euro CLOs (ranging from 65 to 125 bps in the year). Although the Sub-Fund's carry gains failed to offset the mark-to-market losses, the attractive level reached by the spreads enabled us to initiate 14 new strategies, 7 of which came from new issues.
- Despite the year of 2018 being strained by a sharp volatility rise across markets, the performance of the CIGOGNE FUND - Convertible Arbitrage Sub-Fund remained well oriented (+ 0.51%). This is mainly due to our positions in the Oil & Gas sector which benefited from an oil prices rise until September. We decided to freeze part of those gains during the summer. Numerous early redemption offers were also made during the year (including Rocket Internet 2022 and Gedeon Richter 2019), which significantly contributed to the portfolio overall performance. Finally, certain positions benefited from a positive news flow, namely the merger between the US distributor GNC and the Chinese Harbin Pharmaceutical Group, as well as the announcement of a capital increase made by the Safilo group to ensure the repayment of its convertible bond maturing in 2019. However, the gloominess of the markets weighed heavily on the entire portfolio at the end of the year, and in the end considerably shrank the annual performance.
- The CIGOGNE FUND - Credit Arbitrage Sub-Fund ended the year on a negative performance (-1.24%). December 2018 marked the end of the ECB's asset purchase program, which was ongoing since 2015.

STORK FUND

Report on activities of the Board of Directors (continued)

However, during the year's tapering, the amount of purchases conducted under the CSPP remained high. Therefore, the ECB contributed to the stability of the European market credit spreads in the first half of the year. However, in addition to a heavy issuance flow in the primary market (at EUR 414bn), the gloomy geopolitical situation finally took over and caused spreads to widen at the end of the year. Investors were particularly worried about the trade war escalation between the United States and China, Brexit-related setbacks as well as a worrisome political situation in Italy. Carry-trade positions were the most affected and ended up with a negative mark-to-market, which was only partially offset by basis-arbitrage and slope strategies. This volatile environment nevertheless allowed the Sub-Fund to find good entry points to renew the portfolio's potential.

- The CIGOGNE FUND - Fixed Income Arbitrage Sub-Fund posted a slightly negative result in 2018 (-0.29%). The Sub-Fund was well positioned and benefited from the events of the beginning of the year, taking advantage of the US monetary policy normalization that followed inflation's takeoff, but also of the good Euro-zone economic figures and the subsequent curves-flattening. However, political instability rose in Italy after the Eurosceptic parties formed a governing coalition but failed to find a rapid agreement on 2019's budget. The ensuing political uncertainty provoked a significant sell-off among Italian assets that proved unfavorable to the Sub-Fund. Emerging countries positions also went through a tough year, mainly impacted by short-term carry positions on Turkey. Their impact was nevertheless limited thanks to the maturity occurring in December. The rising general defiance at the end of the year combined with concerns over the trade war have further deepened losses on normalization strategies and offset the gains made throughout the year, namely on carry positions in Commonwealth countries.
- The CIGOGNE UCITS - Long Short Arbitrage Sub-Fund posted a negative result in 2018 (-8.76%). Following a good start of the year, the volatility rise in the stock markets had an adverse effect on overall performance. The negative performance stemming from the Event Driven specialty affected adversely the Sub-Fund. We have been particularly impacted by the NXP Semiconductors investment and by several long positions that suffered from the deterioration of relations between China and the United States as well as the general fall in prices. Holding arbitrages have been affected by the widening of several discounts. The overall performance of the Share Classes specialty was heavily impacted by the conversion of Intesa Sanpaolo savings shares with a high premium. Pair Trade investments did not perform well in an environment dominated by geopolitical tensions. Since inception, the investment model posted mixed results and is currently under review.
- The CIGOGNE UCITS - M&A Arbitrage Sub-Fund went through a difficult year 2018 (-7.60%). The performance is mainly due to two terminated strategies. Trade disputes between the United States and China have impacted various crossborder operations since March and the acquisition of NXP Semiconductors by Qualcomm has been finally abandoned in late July, lacking Chinese authorities' approval. Besides, the Court of the state of Delaware authorized Fresenius to walk away from the planned merger with Akorn, stating that important regulatory issues have been detected (with the FDA) and that they had a material impact on the valuation of the target. Nevertheless, the volume of initiated operations remained very interesting this year (over 200 strategies) and numerous deals generated important results (Sky, Monsanto, XL Group). In spite of this complicated year, we remain confident about our ability to adapt to current market conditions and to generate positive performances in the future.

Luxembourg, 5th April 2019

The Board of Directors

Note: The information in this report represents historical data and is not an indication of future results.

To the Shareholders of
STORK FUND
c/o CIGOGNE MANAGEMENT S.A.
18, boulevard Royal
L-2449 Luxembourg

REPORT OF THE *REVISEUR D'ENTREPRISES AGRÉE*

Opinion

We have audited the financial statements of STORK FUND (the "Company") and of each of its sub-funds, which comprise the statement of net assets and the statement of investments and other net assets as at 31st December 2018 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and of each of its sub-funds as at 31st December 2018, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Company is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the *Réviseur d'Entreprises Agréé* thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Company for the Financial Statements

The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *Réviseur d'Entreprises Agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Company;
- Conclude on the appropriateness of the Board of Directors of the Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *Réviseur d'Entreprises Agréé* to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *Réviseur d'Entreprises Agréé*. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de Révision Agréé*



Martin Flaunet, *Réviseur d'Entreprises Agréé*
Partner

30th April 2019

STORK FUND

Combined statement of net assets (in EUR) as at 31st December 2018

Assets

Investments

Securities portfolio at market value	2,035,299,514.54
	<u>2,035,299,514.54</u>

Cash and cash equivalents

Cash at banks	27,461,929.87
	<u>27,461,929.87</u>

Receivables

Unrealised gain on forward foreign exchange contracts	14,977.87
	<u>14,977.87</u>

Total assets

2,062,776,422.28

Liabilities

Payables

Unrealised loss on forward foreign exchange contracts	190.01
Expenses payable	4,932,959.97
	<u>4,933,149.98</u>

Borrowings

Bank overdrafts	1,788,697.33
	<u>1,788,697.33</u>

Other liabilities

Prepaid subscriptions	11,350,000.00
	<u>11,350,000.00</u>

Total liabilities

18,071,847.31

Total net assets at the end of the year

2,044,704,574.97

The accompanying notes are an integral part of these financial statements.

STORK FUND

Combined statement of operations (in EUR) from 1st January 2018 to 31st December 2018

Income

Investment income

Interest on bank accounts	1,703.47
	<hr/>
	1,703.47

Realised gain on investments

- on securities portfolio	19,180,452.14
- on forward foreign exchange contracts	7,573,880.28
	<hr/>
	26,754,332.42

Appreciation of unrealised results on investments

- on securities portfolio	2,485,164.94
- on forward foreign exchange contracts	28,123.34
	<hr/>
	2,513,288.28

Total income

29,269,324.17

Expenses

Investment advisory or management fees

Management fees	19,146,656.12
	<hr/>
	19,146,656.12

Other expenses

Depository fees	449,308.21
Central administration costs	61,566.75
Professional fees	16,933.45
Other administration costs	26,884.31
Subscription duty ("taxe d'abonnement")	1,618.82
Bank interest paid	16,353.39
Interest paid on fixed bank deposits	134,884.36
Other fees	56,532.03
	<hr/>
	764,081.32

Realised loss on investments

- on securities portfolio	4,871,621.14
- on forward foreign exchange contracts	3,230,993.06
- on foreign exchange	2,100.15
	<hr/>
	8,104,714.35

Depreciation of unrealised results on investments

- on securities portfolio	58,310,230.96
- on forward foreign exchange contracts	21,108.10
	<hr/>
	58,331,339.06

Total expenses

86,346,790.85

Net expenditure

-57,077,466.68

The accompanying notes are an integral part of these financial statements.

STORK FUND

Combined statement of changes in net assets (in EUR)

from 1st January 2018 to 31st December 2018

Net expenditure	-57,077,466.68
Subscriptions	507,796,531.62
Redemptions	-345,507,911.59
Total changes in net assets	105,211,153.35
Total net assets at the beginning of the year	1,939,493,421.62
Total net assets at the end of the year	2,044,704,574.97

The accompanying notes are an integral part of these financial statements.

STORK FUND - Dynamic Multi-Strategies

Statement of net assets (in EUR)

as at 31st December 2018

Assets

Investments

Securities portfolio at market value	1,983,285,382.62
	<u>1,983,285,382.62</u>

Cash and cash equivalents

Cash at banks	27,237,096.74
	<u>27,237,096.74</u>

Receivables

Unrealised gain on forward foreign exchange contracts	14,977.87
	<u>14,977.87</u>

Total assets

2,010,537,457.23

Liabilities

Payables

Unrealised loss on forward foreign exchange contracts	190.01
Expenses payable	4,803,541.30
	<u>4,803,731.31</u>

Borrowings

Bank overdrafts	1,788,697.33
	<u>1,788,697.33</u>

Other liabilities

Prepaid subscriptions	11,350,000.00
	<u>11,350,000.00</u>

Total liabilities

17,942,428.64

Total net assets at the end of the year

1,992,595,028.59

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in EUR)
A	33,933.3801	EUR	20,570.93	698,041,199.04
C	252.5301	CHF	9,742.33	2,184,102.01
D	2,974.7131	USD	12,631.95	32,875,270.46
O	93,667.3409	EUR	13,446.46	1,259,494,457.08
				<u>1,992,595,028.59</u>

The accompanying notes are an integral part of these financial statements.

STORK FUND - Dynamic Multi-Strategies

Statement of operations (in EUR)

from 1st January 2018 to 31st December 2018

Income

Investment income

Interest on bank accounts	1,703.47
	<hr/>
	1,703.47

Realised gain on investments

- on securities portfolio	5,903,641.43
- on forward foreign exchange contracts	7,573,880.28
	<hr/>
	13,477,521.71

Appreciation of unrealised results on investments

- on securities portfolio	2,415,615.16
- on forward foreign exchange contracts	28,123.34
	<hr/>
	2,443,738.50

Total income

15,922,963.68

Expenses

Investment advisory or management fees

Management fees	18,666,318.03
	<hr/>
	18,666,318.03

Other expenses

Depositary fees	438,036.26
Central administration costs	36,476.12
Professional fees	8,466.72
Other administration costs	21,325.20
Subscription duty ("taxe d'abonnement")	1,601.95
Bank interest paid	15,685.10
Interest paid on fixed bank deposits	134,884.36
Other fees	56,426.73
	<hr/>
	712,902.44

Realised loss on investments

- on securities portfolio	4,866,964.44
- on forward foreign exchange contracts	3,230,993.06
- on foreign exchange	2,100.15
	<hr/>
	8,100,057.65

Depreciation of unrealised results on investments

- on securities portfolio	43,574,200.91
- on forward foreign exchange contracts	21,108.10
	<hr/>
	43,595,309.01

Total expenses

71,074,587.13

Net expenditure

-55,151,623.45

The accompanying notes are an integral part of these financial statements.

STORK FUND - Dynamic Multi-Strategies

Statement of changes in net assets (in EUR)

from 1st January 2018 to 31st December 2018

Net expenditure	-55,151,623.45
Subscriptions	507,796,531.62
Redemptions	-345,507,911.59
Total changes in net assets	<u>107,136,996.58</u>
Total net assets at the beginning of the year	<u>1,885,458,032.01</u>
Total net assets at the end of the year	<u><u>1,992,595,028.59</u></u>

The accompanying notes are an integral part of these financial statements.

STORK FUND - Dynamic Multi-Strategies

Statistical information (in EUR)

as at 31st December 2018

Total net assets	Currency	31.12.2016	31.12.2017	31.12.2018
	EUR	1,032,593,745.69	1,885,458,032.01	1,992,595,028.59

Net asset value per share	Currency	31.12.2016	31.12.2017	31.12.2018
A	EUR	20,443.61	21,165.78	20,570.93
C	CHF	-	-	9,742.33
D	USD	12,068.77	12,690.49	12,631.95
O	EUR	13,363.24	13,835.29	13,446.46

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A	37,100.0309	5,545.6055	-8,712.2563	33,933.3801
C	-	252.5301	-	252.5301
D	5,558.2824	628.4417	-3,212.0110	2,974.7131
O	75,276.1313	27,652.6741	-9,261.4645	93,667.3409

The accompanying notes are an integral part of these financial statements.

STORK FUND - Dynamic Multi-Strategies

Statement of investments and other net assets (in EUR) as at 31st December 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	87,000	Cigogne Ucits Long Short Arbitrage C2 EUR Cap	88,556,018.72	81,931,380.00	4.11
Total investment funds (UCITS)			88,556,018.72	81,931,380.00	4.11
Investment funds (UCI)					
EUR	25,046.662	Cigogne Clo Arbitrage Scv A Cap	251,043,490.27	248,488,184.17	12.47
EUR	96.447	Cigogne Clo Arbitrage Scv Europe O Cap	1,000,090.47	988,651.19	0.05
EUR	10,188.9134	Cigogne Fd ABS/MBS Arbitrage A1 Cap	203,372,709.64	283,319,039.35	14.22
EUR	17,634.129	Cigogne Fd Conv Arbitrage A Ser 1 Units Cap	322,296,168.39	409,184,092.73	20.54
EUR	16,382.0834	Cigogne Fd Cred Arbitrage A1 Cap	243,364,379.08	278,776,042.89	13.99
EUR	25,566.5116	Cigogne Fd Fixed Income Arbitrage A Ser 1 Cap	337,269,733.41	371,262,052.88	18.63
EUR	7,015.036	Cigogne Fd M&A Arbitrage A Ser 1 Cap	273,424,730.92	309,335,939.41	15.52
Total investment funds (UCI)			1,631,771,302.18	1,901,354,002.62	95.42
Total investments in securities			1,720,327,320.90	1,983,285,382.62	99.53
Cash at banks				27,237,096.74	1.37
Bank overdrafts				-1,788,697.33	-0.09
Other net assets/(liabilities)				-16,138,753.44	-0.81
Total				1,992,595,028.59	100.00

The accompanying notes are an integral part of these financial statements.

STORK FUND - Dynamic Multi-Strategies

Industrial and geographical classification of investments as at 31st December 2018

Industrial classification

(in percentage of net assets)

Investment funds	<u>99.53 %</u>
Total	<u>99.53 %</u>

Geographical classification

(by domicile of the issuer)
(in percentage of net assets)

Luxembourg	<u>99.53 %</u>
Total	<u>99.53 %</u>

STORK FUND - Protective Multi-Strategies

Statement of net assets (in EUR)

as at 31st December 2018

Assets

Investments

Securities portfolio at market value

52,014,131.92

52,014,131.92

Cash and cash equivalents

Cash at banks

224,833.13

224,833.13

Total assets

52,238,965.05

Liabilities

Payables

Expenses payable

129,418.67

129,418.67

Total liabilities

129,418.67

Total net assets at the end of the year

52,109,546.38

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in EUR)
O	3,577.0000	EUR	14,567.95	52,109,546.38
				52,109,546.38

The accompanying notes are an integral part of these financial statements.

STORK FUND - Protective Multi-Strategies

Statement of operations (in EUR)

from 1st January 2018 to 31st December 2018

Income

Realised gain on investments

- on securities portfolio

13,276,810.71

13,276,810.71

Appreciation of unrealised results on investments

- on securities portfolio

69,549.78

69,549.78

Total income

13,346,360.49

Expenses

Investment advisory or management fees

Management fees

480,338.09

480,338.09

Other expenses

Depositary fees

11,271.95

Central administration costs

25,090.63

Professional fees

8,466.73

Other administration costs

5,559.11

Subscription duty ("taxe d'abonnement")

16.87

Bank interest paid

668.29

Other fees

105.30

51,178.88

Realised loss on investments

- on securities portfolio

4,656.70

4,656.70

Depreciation of unrealised results on investments

- on securities portfolio

14,736,030.05

14,736,030.05

Total expenses

15,272,203.72

Net expenditure

-1,925,843.23

The accompanying notes are an integral part of these financial statements.

STORK FUND - Protective Multi-Strategies

Statement of changes in net assets (in EUR)

from 1st January 2018 to 31st December 2018

Net expenditure	-1,925,843.23
Subscriptions	0.00
Redemptions	0.00
Total changes in net assets	<hr/> -1,925,843.23
Total net assets at the beginning of the year	54,035,389.61
Total net assets at the end of the year	<hr/> <hr/> 52,109,546.38

The accompanying notes are an integral part of these financial statements.

STORK FUND - Protective Multi-Strategies

Statistical information (in EUR)

as at 31st December 2018

Total net assets	Currency	31.12.2016	31.12.2017	31.12.2018
	EUR	52,300,307.57	54,035,389.61	52,109,546.38

Net asset value per share	Currency	31.12.2016	31.12.2017	31.12.2018
0	EUR	14,621.28	15,106.34	14,567.95

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
0	3,577.0000	-	-	3,577.0000

The accompanying notes are an integral part of these financial statements.

STORK FUND - Protective Multi-Strategies

Statement of investments and other net assets (in EUR)

as at 31st December 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	7,232	Cigogne Ucits Long Short Arbitrage C2 EUR Cap	7,179,931.32	6,810,663.68	13.07
Total investment funds (UCITS)			<u>7,179,931.32</u>	<u>6,810,663.68</u>	<u>13.07</u>
Investment funds (UCI)					
EUR	236.1723	Cigogne Fd ABS/MBS Arbitrage A1 Cap	6,690,000.42	6,567,148.68	12.60
EUR	50	Cigogne Fd ABS/MBS Arbitrage O Units Cap	577,448.33	890,901.00	1.71
EUR	486.5896	Cigogne Fd Conv Arbitrage A Ser 1 Units Cap	11,221,323.96	11,290,873.74	21.67
EUR	50	Cigogne Fd Conv Arbitrage O Units Cap	663,334.00	1,187,727.50	2.28
EUR	272.5806	Cigogne Fd Cred Arbitrage A1 Cap	4,661,970.53	4,638,539.51	8.90
EUR	719.5547	Cigogne Fd Fixed Income Arbitrage A Ser 1 Cap	10,586,935.69	10,448,956.01	20.05
EUR	50	Cigogne Fd Fixed Income Arbitrage O Units Cap	665,618.00	737,097.00	1.42
EUR	189.4716	Cigogne Fd M&A Arbitrage A Ser 1 Cap	8,764,176.97	8,354,964.30	16.03
EUR	25	Cigogne Fd M&A Arbitrage O Units Cap	768,319.50	1,087,260.50	2.09
Total investment funds (UCI)			<u>44,599,127.40</u>	<u>45,203,468.24</u>	<u>86.75</u>
Total investments in securities			51,779,058.72	52,014,131.92	99.82
Cash at banks				224,833.13	0.43
Other net assets/(liabilities)				-129,418.67	-0.25
Total				<u>52,109,546.38</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

STORK FUND - Protective Multi-Strategies

Industrial and geographical classification of investments as at 31st December 2018

Industrial classification

(in percentage of net assets)

Investment funds	<u>99.82 %</u>
Total	<u>99.82 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Luxembourg	<u>99.82 %</u>
Total	<u>99.82 %</u>

STORK FUND

Notes to the financial statements

as at 31st December 2018

Note 1 - General informations

STORK FUND (the "Company") is an Undertaking for Collective Investment in the legal form of a multiple Sub-Fund investment company with variable share capital ("*Société d'Investissement à Capital Variable*") subject to the amended Luxembourg Law of 13th February 2007 relating to the Specialised Investment Funds and qualifies as an Alternative Investment Fund ("AIF") in accordance with the amended Law of 12th July 2013. The Company has designated CIGOGNE MANAGEMENT S.A. to act as its authorized Alternative Investment Fund Manager under Chapter II of the amended law of 12th July 2013.

The Company was established pursuant to management regulations executed as of 25th June 2007 as an open-ended common fund ("*Fonds Commun de Placement*"). The Company changed its legal form as of 8th October 2014 in an investment company with variable share capital with multiple Sub-Funds, subject to Luxembourg Law dated 13th February 2007 related to Specialised Investment Funds.

Copies of the following documents are available to the public:

- the Offering Document and the Articles of Incorporation
- the annual report including audited financial statements of the Company.

A copy of the agreements contracted by the Company with the AIFM and the Depositary may be consulted, free of charge, at the Company's registered office.

Note 2 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of the Company are established in accordance with the Luxembourg legal and regulatory requirements concerning Specialised Investments Funds and with generally accepted accounting principles in Luxembourg.

b) Valuation of assets

The value of the Company assets is determined as follows:

- a) The value of cash in hand or on deposit, bills and notes due on demand, accounts receivable, prepaid expenses, dividends and interest declared or due but not yet received consists of the nominal value of these assets, unless it is unlikely that this value will be received, in which event, the value shall be determined by deducting an amount which the board of directors or an entity appointed by the board of directors for that purpose, deems adequate to reflect the real value of these assets.
- b) Shares or similar interests in undertakings for collective investment are valued on the basis of their last official or estimated net asset value, as set out below. This net asset value may be adjusted by applying a recognized and appropriate index so as to reflect market changes since the last valuation. In case an undertaking for collective investment (or its manager or administrative agent) provides an estimated net asset value that is more recent than the last available official net asset value, the board of directors or an entity appointed by the board of directors for that purpose, may decide to use such estimated net asset value. In such a case, the net asset value of the Company's Shares at the Valuation Day may be different from the value that would have been obtained if the net asset value of the Company's Shares would have been calculated using the official net asset value of the undertaking for collective investment. Nevertheless, the net asset value of the Company's Shares calculated on the basis of estimated net asset values will be considered as final and applicable despite future divergence.

c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by each Sub-Fund that are denominated in currencies other than the reference currency of the Sub-Fund is converted into this currency at the exchange rate prevailing on the date of purchase.

d) Realised gain/(loss) on securities portfolio

The realised gains and losses on securities portfolio are calculated on the basis of the average acquisition cost and are recorded in the statement of operations.

e) Investment portfolio income

Dividend income is recorded at the ex-date, net of any withholding tax.

STORK FUND

Notes to the financial statements (continued)

as at 31st December 2018

f) Valuation of forward foreign exchange contracts

Forward foreign exchange contracts are valued at forward rates for the remaining period from valuation date to the maturity of the contracts. Unrealised gains or losses are recorded in the statement of net assets. Realised gains and losses, appreciation and depreciation of unrealised results are recorded in the statement of operations.

g) Conversion of foreign currencies

Cash at banks, other net assets and liabilities and the market value of the securities in portfolio expressed in currencies other than the reference currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the financial statements. Income and expenses expressed in currencies other than the reference currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the transaction. Realised gains or losses on foreign exchange are recorded in the statement of operations.

h) Combined financial statements

The combined financial statements of the Company are expressed in EUR and are equal to the sum of the corresponding items in the financial statements of each Sub-Fund.

Note 3 - Management fee

The Company has appointed CIGOGNE MANAGEMENT S.A. to act as its external Alternative Investment Fund Manager under Chapter II of the law of 12th July 2013.

The management fee equal to maximum 1% p.a. is payable quarterly, calculated on the average net asset of the respective share class of each Sub-Fund determined on each Valuation Day, for each quarter during the continuance of the Portfolio Management Agreement.

At the date of the financial statements the effective annual rates for the Sub-Funds offered are as follows:

Sub-Funds	Effective annual rate
- STORK FUND - Dynamic Multi-Strategies	0.90
- STORK FUND - Protective Multi-Strategies	0.90

Note 4 - Management fees of the target funds

The management fee of the target funds in which the Sub-Funds invest, rises to maximum 2% p.a., calculated on the average net assets invested in the target fund.

Note 5 - Performance fee

For each calendar year, the Alternative Investment Fund Manager may receive a performance fee calculated as described in the Offering Document.

The performance fee is calculated on a high water mark basis, which means that, if there are net losses in Shares during a calculation period, such losses are carried forward in the following calculation period(s), and must be recovered before a further performance fee may be paid, taking into account the gains and losses attributable to subscribed and redeemed Shares occurred in previous calculated periods. The Euribor or Libor Performance Index is not taken into account for the purpose of calculating the high water mark.

The applicable formula for the calculation of the performance fee shall be agreed to by the Alternative Investment Fund Manager and the Depositary, it being understood that no performance fees is calculated on investments in the Alternative Investment Fund CIGOGNE FUND and/or the Investment Company CIGOGNE UCITS.

At the date of the financial statements, no performance fee was recorded for the Sub-Funds.

Note 6 - Central Administration costs

The item "Central administration costs" disclosed in the statement of operations is mainly composed of the administrative agent and domiciliation fees.

STORK FUND

Notes to the financial statements (continued)

as at 31st December 2018

Note 7 - Subscription duty ("*taxe d'abonnement*")

The Company is governed by Luxembourg law.

Pursuant to the legislation and regulations in force the Company is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.01% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter.

Pursuant to Article 68 (2) of the amended Law of 13th February 2007 the net assets invested in Undertakings for Collective Investments already subject to the "*taxe d'abonnement*" are exempt from this tax.

Note 8 - Forward foreign exchange contracts

At the date of the financial statements, the following Sub-Fund is committed in the following forward foreign exchange contracts with BANQUE DE LUXEMBOURG S.A..

STORK FUND - Dynamic Multi-Strategies

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in EUR)
Forward exchange contracts linked to Class "D" Shares					
EUR	1,176,244.47	USD	1,335,331.54	31.01.2019	10,712.08
USD	39,711,434.05	EUR	34,658,259.77	31.01.2019	4,265.79
					<u>14,977.87</u>
Forward exchange contracts linked to Class "C" Shares					
CHF	2,519,469.72	EUR	2,237,447.32	31.01.2019	-190.01
					<u>-190.01</u>

STORK FUND

Additional information (unaudited)

as at 31st December 2018

1 - Risk Management, investment policies and leverages

STORK FUND's investments focus on arbitrage strategies through investments in single hedge funds such as CIGOGNE FUND, CIGOGNE CLO ARBITRAGE or CIGOGNE UCITS Sub-Funds'. All positions are valued at fair market value. No position is subject to specific treatment for illiquidity. Policies and procedures in place in the AIFM ensure the consistency of market data, results and Net Asset Value. Hereafter the breakdown of our Sub-Funds' investment policies, leverages and value-at-Risk figures:

- STORK FUND - Dynamic Multi-Strategies Sub-Fund's investment objective is to deliver stable and positive performances over time, de-correlated from traditional asset classes (such as bonds, stocks). In order to achieve this objective, the STORK FUND - Dynamic Multi-Strategies Sub-Fund sets forth arbitrage strategies in different and complementary strategies, no-correlated from each others such as ABS/MBS arbitrage, CLO arbitrage, convertible bonds arbitrage, credit arbitrage, fixed income arbitrage, equity long short arbitrage and mergers and acquisitions (M&A) arbitrage. Although the Sub-Fund is not limited to do so, STORK FUND - Dynamic Multi-Strategies' investments have exclusively been allocated to CIGOGNE FUND's, CIGOGNE CLO ARBITRAGE's and CIGOGNE UCITS's Sub-Funds since Sub-Fund launch. The allocation between CIGOGNE FUND's and CIGOGNE UCITS' Sub-Funds is rebalanced on an ongoing basis.
The leverage of Sub-Fund is 1 time of its Net Assets in accordance with the commitment method and 1.01 times in accordance with the gross method. The Value-at-Risk (20 days, 99%) is 1.57% of its Net Assets.
- STORK FUND - Protective Multi-Strategies Sub-Fund's investment objective is to deliver stable and positive performances over time, de-correlated from traditional asset classes (such as bonds, stocks). In order to achieve this objective, the STORK FUND - Protective Multi-Strategies Sub-Fund sets forth arbitrage strategies in different and complementary strategies, no-correlated from each others such as ABS/MBS arbitrage, convertible bonds arbitrage, credit arbitrage, fixed income arbitrage, equity long short arbitrage and mergers and acquisitions (M&A) arbitrage. Although the Sub-Fund is not limited to do so, STORK FUND - Protective Multi-Strategies' investments have exclusively been allocated to CIGOGNE FUND's and CIGOGNE UCITS's Sub-Funds since Sub-Fund launch. The allocation between CIGOGNE FUND's and CIGOGNE UCITS' Sub-Funds is rebalanced on an ongoing basis.
The leverage of Sub-Fund is 1 times of its Net Assets in accordance with both the commitment method and the gross method. The Value-at-Risk (20 days, 99%) is 1.69% of its Net Assets.

Additionally, the Board of Directors of the Company has established and maintains adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors of the Company has contracted with the Central Administration to put procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including the production of annual and semi-annual reports. The Board of Directors of the Company, from time to time, also examines and evaluates the Management Company's/administrators' financial accounting and reporting routines.

The annual report including audited financial statements of the Company is required to be approved by the Board of Directors of the Company and filed with the *Commission de Surveillance du Secteur Financier* (CSSF) and the *Registre de Commerce et des Sociétés* (RCS). The annual statutory financial statements are required to be audited by independent auditors who report to the Board of Directors on their findings. The Board of Directors, from time to time, also monitors and evaluates the external auditors' performance, qualifications and independence.

The Board of Directors of the Company meets at least twice time a year and ensures that the Company maintains high standards of integrity and control in its operations and that it possesses adequate governance and means of control as law and regulation demand.

More information is available on our website www.cigogne-management.com.

STORK FUND

Additional information (unaudited) (continued)

as at 31st December 2018

2 - Remuneration

Regarding the remuneration, CIGOGNE MANAGEMENT S.A. has established a remuneration policy fully consistent with Credit Mutuel Group's policy. Its rules include both fixed and variable remunerations paid by the AIFM either to its staff or its senior management. For 2018, figures were:

Fixed	EUR 1,238,691
Variable	EUR 460,102

Number of employees:
17 headcount

Details of the AIFM's remuneration policy, including a description of how remuneration and benefits are calculated, are available by contacting the AIFM.

3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")

During the reporting period, the Company did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.