CIGOGNE FUND

ABS/MBS Arbitrage

31/07/2026

Assets Under Management : **212 224 274.06 €**

Net Asset Value (O Unit) : **23 138.86 €**

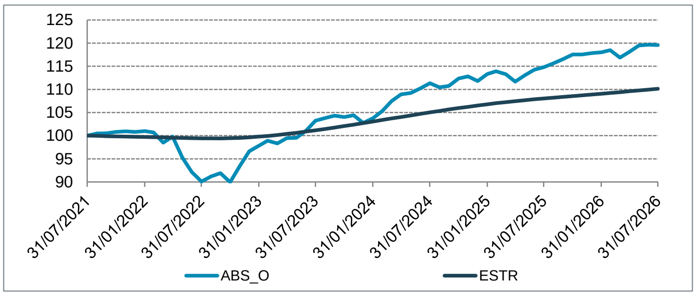
PERFORMANCES

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2026	0.16%	0.37%	-1.36%	1.06%	1.20%	0.12%	-0.06%						**1.48%**
2025	1.37%	0.53%	-0.58%	-1.40%	1.23%	1.08%	0.46%	0.75%	0.74%	0.89%	-0.01%	0.25%	**5.40%**
2024	0.98%	1.47%	2.08%	1.31%	0.29%	0.86%	1.07%	-0.82%	0.28%	1.46%	0.39%	-0.89%	**8.78%**
2023	1.22%	1.12%	-0.63%	1.15%	0.11%	1.49%	2.17%	0.56%	0.48%	-0.28%	0.39%	-1.56%	**6.34%**
2022	0.15%	-0.28%	-2.18%	1.30%	-4.52%	-3.26%	-2.26%	1.22%	0.79%	-2.11%	3.74%	3.57%	**-4.14%**

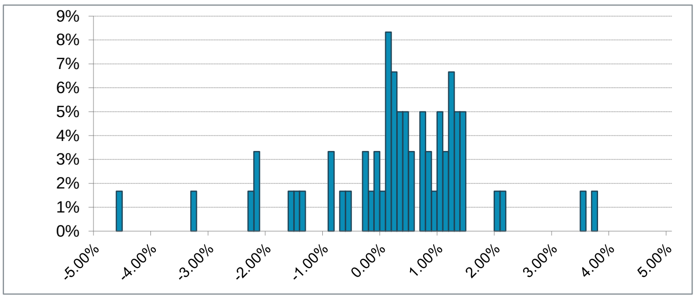
PORTFOLIO STATISTICS FOR 5 YEARS / SINCE 30/06/2006

	Cigogne ABS/MBS Arbitrage		ESTR		HFRX Global Hedge Fund EUR Index	
	5 years	From Start	5 years	From Start	5 years	From Start
Cumulative Return	19.58%	131.39%	10.13%	19.40%	5.40%	-0.50%
Annualised Return	3.64%	4.26%	1.95%	0.89%	1.06%	-0.02%
Annualised Volatility	4.82%	10.59%	0.45%	0.46%	3.48%	5.31%
Sharpe Ratio	0.35	0.32	-	-	-0.26	-0.17
Sortino Ratio	0.55	0.38	-	-	-0.41	-0.23
Max Drawdown	-10.90%	-52.14%	-0.59%	-3.38%	-8.35%	-25.96%
Time to Recovery (m)	8	22	6	16	23	> 76
Positive Months (%)	71.67%	79.67%	76.67%	54.77%	60.00%	58.51%

PERFORMANCE (Net Asset Value)



DISTRIBUTION OF RETURNS (Monthly Basis)

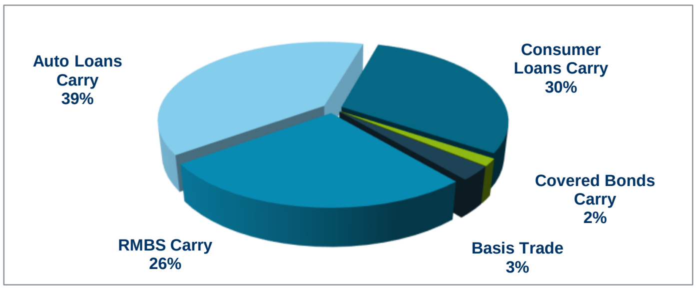


INVESTMENT MANAGERS' COMMENTARY

The performance of the ABS/MBS Arbitrage fund was -0,06%.

The lull observed on the geopolitical front in June was swept aside by President Donald Trump's unilateral announcement of the breakdown of the ceasefire between the United States and Iran, the renewed blockage of the Strait of Hormuz and the intensification of strikes. This raised fears of a renewed protracted conflict, pushing Brent crude back above $100 per barrel and reviving concerns over an oil shock and renewed inflationary pressures. Against this backdrop, the ECB left its policy rates unchanged following the hike decided in June. At the same time, Christine Lagarde paved the way for another 25 bps hike at the September meeting. If the renewed tensions during the month prove to be temporary, their impact on inflation, confidence and growth could remain limited. The ECB would therefore not need to raise rates significantly to counter an uncontrolled rise in inflation, while investors are still pricing in slightly more than two rate hikes over the next year. In the United States, the Fed also left monetary policy unchanged, with nine members voting in favour of keeping rates on hold and three in favour of a rate hike. Kevin Warsh nevertheless indicated that he intends to examine the root causes of inflation in order to assess the risk of persistence and identify the most appropriate tools to address it. Against this backdrop, the ABS primary market posted record activity. Approximately +€ 14.25 Bn of new issuance was distributed in Europe during the month, an unusually high amount for the summer period. Consumer loans accounted for around one third of total issuance, with numerous tranches successfully pre-placed. Several new strategies were initiated in the most senior tranches. These included the Spanish consumer loan deal CONSU 11 from Banco Santander SA, placed at a spread of 65 bps over 3-month Euribor and offering 25% credit enhancement. Also worth mentioning is the Portuguese auto loan deal THEFI 3, the first public placement from Banco Credibom SA, a subsidiary of Crédit Agricole Consumer Finance, issued at a spread of 76 bps over 1-month Euribor. Finally, ALPG 2026-1, PayPal Europe's first German consumer loan transaction, offered a short WAL of 2.5 years and a spread of 78 bps over 1-month Euribor. Although efficiently absorbed by investors, the strong primary market activity weighed slightly on secondary market spreads, which widened by 2 bps for RMBS and 1 bp for consumer loans, while Auto ABS spreads remained unchanged (source: JPM). Several opportunities to strengthen the compartment's carry exposure were also identified through BWIC (Bids Wanted In Competition). Finally, a position in a 2029 French covered bond issued by Crédit Agricole was sold, as the remaining upside to maturity had become particularly limited following the steady tightening in credit spreads.

ASSET BREAKDOWN



CORRELATION MATRIX

	Cigogne ABS/MBS Arbitrage	ESTR	HFRX Global Hedge Fund EUR Index
Cigogne ABS/MBS	100.00%	30.18%	34.64%
ESTR	30.18%	100.00%	25.93%
HFRX HF Index	34.64%	25.93%	100.00%

CIGOGNE FUND

ABS/MBS Arbitrage

31/07/2026

CIGOGNE
MANAGEMENT

INVESTMENT OBJECTIVES

Strategies set forth in the ABS / MBS Arbitrage compartment span across two specialties:
- ABS (Asset Backed Securities), MBS (Mortgage Backed Securities) and Covered Bonds arbitrage, which consist in exploiting price inefficiencies between asset backed notes and their refinancing cost (notes purchase related borrowing cost);
- Basis Trade arbitrage, which consists in taking advantage of the spread between the premium offered by a secured note and the CDS premium of the related issuer.

All these strategies focus on the credit component of the underlying financial instruments; any interest rate exposure is systematically hedged. The portfolio is today composed of ABS/MBS and Covered Bonds of high quality, benefiting from a AA- rating (at least) and a weighted average life of 2 years (except on basis arbitrage strategies). The portfolio is well diversified, with more than forty strategies on average.

MAIN EXPOSURES (In percentage of gross asset base)

SUNRI 2025-2 A EUR1+72 27/10/50	3.76%
ACAHB 2024-1 A1 EUR3+56 27/12/61	2.79%
VCL 48 A EUR1+42 21/03/33	2.41%
CALEF 2025-1 A EUR1+60 26/03/44	2.36%
QUARZ 2026-1 A EUR3+82 15/09/43	2.10%

FUND SPECIFICS

Net Asset Value :	€	**212 224 274.06**
Net Asset Value (O Unit) :	€	**2 483 216.31**
Liquidative Value (O Unit) :	€	**23 138.86**
ISIN Code :		**LU0648560224**
Legal Structure :		**FCP - SIF, AIF**
Inception Date of the fund :		**June 30th 2006**
Inception Date (O Unit) :		**April 30th 2011**
Currency :		**EUR**
NAV calculation date :		**Monthly, last calendar day of the month**
Subscription / redemption :		**Monthly**
Minimum Commitment:	€	**100 000.00**
Minimum Notice Period:		**1 month**
Management Fee:		**1,50% per annum**
Performance Fee :		**20% above €STR with a High Water Mark**
Country of Registration :		**FR, LU**
Management Company:		**Cigogne Management SA**
Investment Advisor:		**CIC CIB**
Depositary Bank:		**Banque de Luxembourg**
Administrative Agent:		**UI efa**
Auditor:		**KPMG Luxembourg**

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 ABS/MBS 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 CIB's deep expertise. Cigogne Management S.A. currently manages the Cigogne Fund and Cigogne UCITS funds (single-strategy funds) as well as the Stork Fund (multi-strategy funds).

Cigogne Fund - ABS/MBS Arbitrage aims to achieve stable and positive performances over time, uncorrelated from traditional asset classes by setting up Asset-Backed Securities (ABS) arbitrage strategies, Mortgage-Based Securities (MBS) strategies and Covered Bonds strategies.

DISCLAIMER

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