

# CIGOGNE FUND

ABS/MBS Arbitrage

31/10/2025



Assets Under Management : 194 889 710.58 €

Net Asset Value (O Unit) : 22 747.04 €

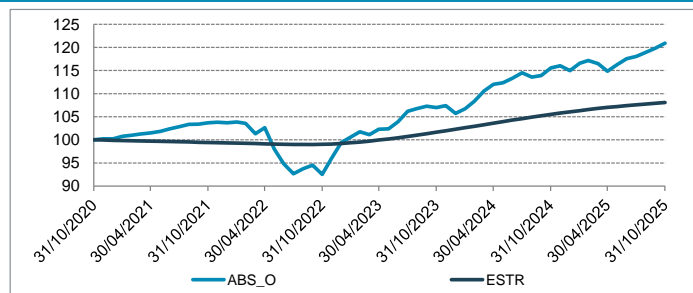
## PERFORMANCES

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2025	1.37%	0.53%	-0.58%	-1.40%	1.23%	1.08%	0.46%	0.75%	0.74%	0.89%			5.15%
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%
2021	0.56%	0.20%	0.27%	0.23%	0.35%	0.52%	0.46%	0.50%	0.04%	0.27%	0.14%	-0.12%	3.46%

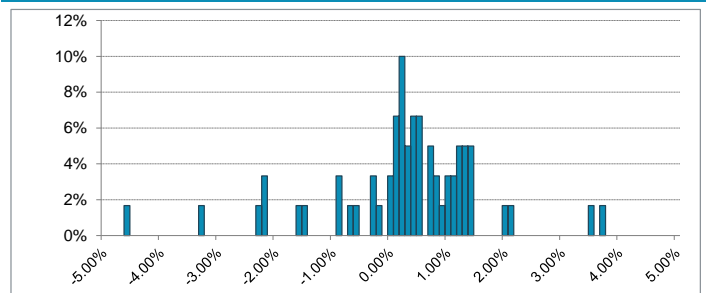
## PORTFOLIO STATISTICS FOR 5 YEARS / SINCE 30/06/2006

	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	20.91%	127.47%	8.08%	17.68%	10.66%	-3.21%
Annualised Return	3.87%	4.34%	1.57%	0.84%	2.05%	-0.17%
Annualised Volatility	4.73%	10.78%	0.52%	0.46%	3.21%	5.29%
Sharpe Ratio	0.49	0.32	-	-	0.15	-0.19
Sortino Ratio	0.76	0.38	-	-	0.29	-0.25
Max Drawdown	-10.90%	-52.14%	-1.01%	-3.38%	-8.35%	-25.96%
Time to Recovery (m)	8	22	8	16	23	> 67
Positive Months (%)	76.67%	80.17%	61.67%	53.02%	60.00%	58.19%

## PERFORMANCE (Net Asset Value)



## DISTRIBUTION OF RETURNS (Monthly Basis)

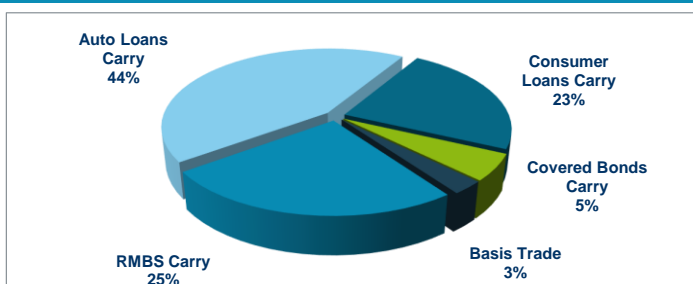


## INVESTMENT MANAGERS' COMMENTARY

The performance of the ABS/MBS Arbitrage fund was +0,89%.

Short-term uncertainty did not appear to disrupt the markets over the month. The Federal Reserve cut its policy rate by 25 bps. However, Jerome Powell struck a cautious tone, stressing that the transitory effects linked to tariffs were still difficult to interpret and that the recent shutdown was also clouding the outlook. Inflation nevertheless remained stable at 3% year-on-year, reflecting the limited impact of the new taxes and a moderation in housing and consumer goods costs. The slowdown in the labour market seems to reflect supply-side constraints rather than genuine signs of weakening demand. In the euro area, the ECB kept its rates unchanged at 2.15%, noting continued positive growth in the third quarter and inflation now close to 2% in a context of still moderate economic activity. The momentum observed in the European ABS primary market in the previous month continued in October, with +€ 13,1 Bn in new distributed issuances. The most active sectors were consumer loans and auto ABS, with five transactions each, representing +€ 2,9 Bn and +€ 2,8 Bn respectively. All tranches were oversubscribed, but the particularly strong investor appetite for mezzanine tranches has remained a distinctive feature of the year. The compartment was able to take advantage of this environment to initiate several strategies, notably on GOLDB 2025-2 and SCGC 2025-2, two Italian and German consumer-loan deals originated by Santander Consumer. These securities offered attractive spreads, 67 bps over 3-month Euribor and 63 bps over 1-month Euribor, with short WALs of under three years. The compartment also participated in the issuance of the Italian auto ABS ABEST 2024-R, originated by Crédit Agricole Auto Bank S.p.A. The A tranche was oversubscribed 1.5x, with a tranche already pre-placed for +€ 300M. Moreover, the German auto ABS PONY 2025-1, issued by Hyundai Capital Bank Europe, was added to the portfolio via a BWIC offer on the secondary market in the second half of the month. On the secondary market, European ABS credit spreads widened slightly by a few bps across all segments, as the market absorbed two consecutive months of record issuance. The widening reached 3 bps on RMBS and up to 5 bps on consumer loans (source: JPM). However, spread movements were not uniform across credit quality levels, and many ABS held in the portfolio continued to benefit from solid bids throughout the month. Finally, the compartment's performance was also supported by carry as well as several early redemptions, notably on the Dutch auto-lease HILL 2022-1 FL, originated by Hiltermann Lease.

## ASSET BREAKDOWN



## CORRELATION MATRIX

	Cigogne ABS/MBS Arbitrage	ESTR	HFRX Global Hedge Fund EUR Index
Cigogne ABS/MBS	100.00%	26.96%	24.57%
ESTR	26.96%	100.00%	9.28%
HFRX HF Index	24.57%	9.28%	100.00%

# CIGOGNE FUND

## ABS/MBS Arbitrage

31/10/2025



### 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.

### FUND SPECIFICS

Net Asset Value :	€	194 889 710.58
Net Asset Value (O Unit) :	€	2 441 166.41
Liquidative Value (O Unit) :	€	22 747.04
ISIN Code :		LU0648560224
Legal Structure :		FCP - SIF, AIF
Inception Date of the fund :		June 30 <sup>th</sup> 2006
Inception Date (O Unit) :		April 30 <sup>th</sup> 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

### MAIN EXPOSURES (In percentage of gross asset base)

SUNRI 2025-2 A EUR1+72 27/10/50	3.22%
CAR 2024-G1V A EUR1+52 18/01/36	2.91%
VCL 46 A EUR1 21/07/31	2.74%
BPCL 2024-1 A EUR1+70 31/10/42	2.55%
ACAHB 2024-1 A1 EUR3+56 27/12/61	2.50%

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 Marchés
Depository Bank:	Banque de Luxembourg
Administrative Agent:	UI efa
Auditor:	KPMG Luxembourg

### RISK PROFILE



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 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 - 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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