

Louis Treasury

Monthly Perf. : 0,17 %
Year-to-Date (YTD) Perf. : 0,40 %

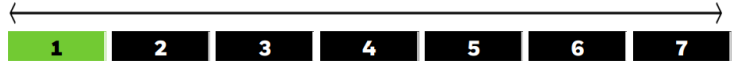
RISK INDICATOR

Lower Risk

Potentially Lower Rewards

Higher Risk

Potentially Higher Rewards

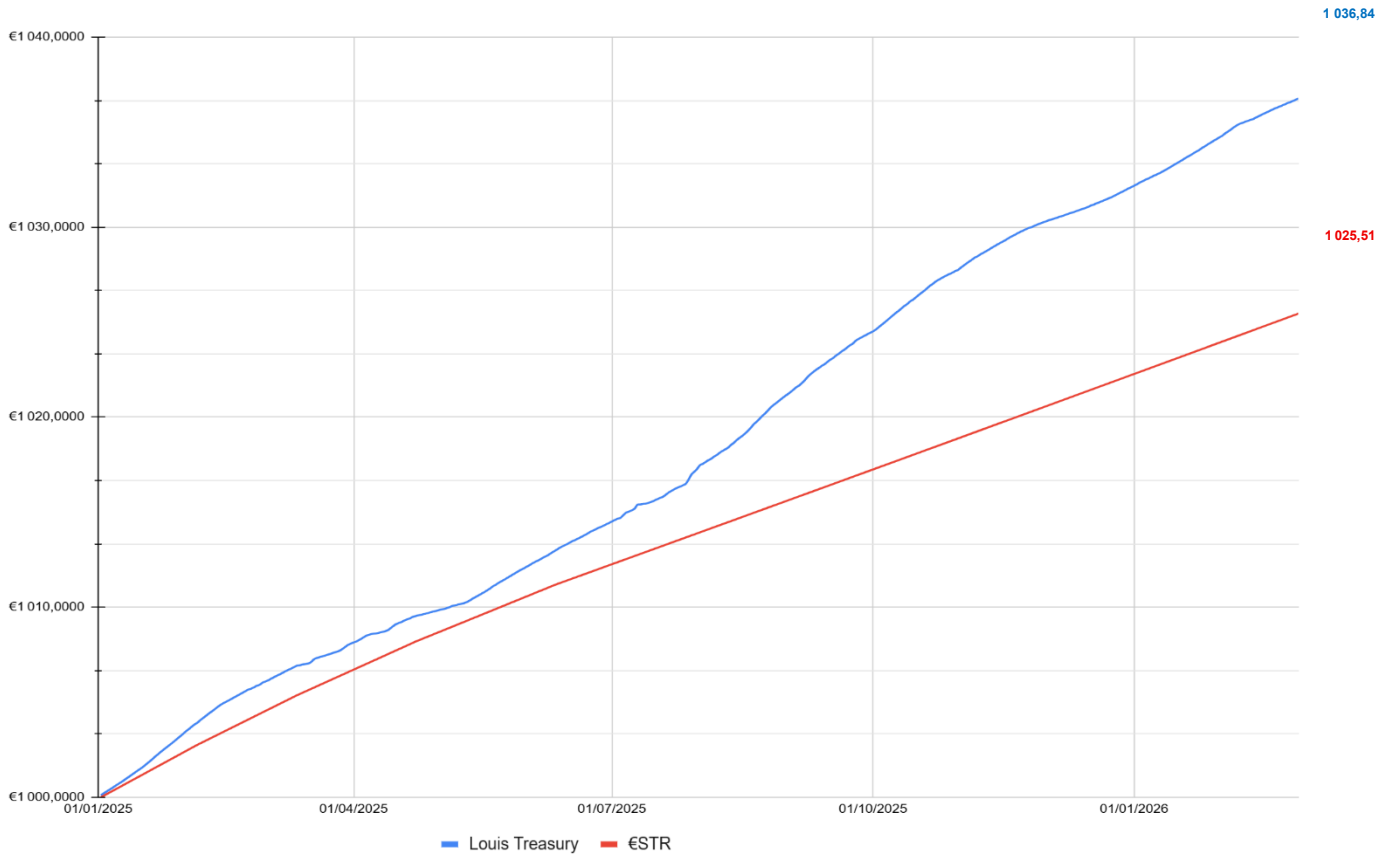


Investment Strategy

The primary objective is to generate a variable return in Euros, potentially higher than traditional money market rates, while preserving capital and providing permanent liquidity. The product aims to outperform its benchmark, the €STR, net of fees. Interest is accrued and compounded continuously within the product.

Performance Since Inception (Base 1000)

Data extracted from the EURE Aave pool on the Gnosis layer from January 1st to March 12th; then from EURC Aave on the Base layer until July 2nd, 2025; and subsequently sourced from EURC Aave on Ethereum (ETH).



Issuing Entity : Cometh S.A.S
Strategy Inception Date : 03/13/2025
Valuation Frequency : Every 12 seconds
Currency : EUR

Income Allocation : Accumulation (Capitalization)
Management Fees: 0,15 % per annum
Benchmark : €STR
Underlying : Aave Protocol – EURC Pool on ETH Mainnet

Index data sourced from: <https://data.ecb.europa.eu/data/datasets/EST/EST.B.EU000A2X2A25.WT>

Historical Performance Net of fees (%)

	2025				2026	
	September	October	November	December	January	February
Louis Treasury	0,30 %	0,32 %	0,21 %	0,16 %	0,23 %	0,17 %
Benchmark	0,15 %	0,16 %	0,16 %	0,16 %	0,16 %	0,14 %
Relative spread	-0,15 %	-0,16 %	-0,05 %	-0,00 %	-0,07 %	-0,03 %

Calendar Performance

	2025	2026
Louis Treasury	3,07 %	-
Benchmark	2,23 %	-
Relative Spread	0,84 %	-

Cumulative Performance

	2026		Since the 1 st of January	1 month
	January	February		
Louis Treasury	0,23 %	0,40 %	0,40 %	0,17 %
Benchmark	0,16 %	0,30 %	0,30 %	0,14 %

Index data sourced from: https://data.ecb.europa.eu/data/datasets/EST/EST.B.EU000A2X2A25_WT

Management Commentary – February 2026

February 2026 was a relatively quiet month for short-term money markets in the Eurozone. The €STR remained within a narrow range of 1.929% to 1.935% (monthly average ~1.932%), reflecting a ECB policy that remains restrictive but without major surprises, supported by stable and predictable overnight borrowing demand.

In this context, Louis Treasury delivered a net-of-fees performance of 0.172% for the month (gross base ~0.185% before fees), representing a relative outperformance of +0.027% compared to the €STR index (0.145%).

Since the beginning of the year, the cumulative relative spread remains slightly negative; however, the trend is progressively reversing, and the product continues to outperform the index across the majority of 3 to 12-month rolling windows.

Performance Drivers in February

- **Supply APY:** The average realized Supply APY on the EURC Aave V3 Ethereum pool settled around 2.30–2.45% annualized (30-day average: 2.61%). This slight decrease compared to previous months (3.1–3.3%) is explained by pool utilization remaining high (75–78%), but with slightly less sustained borrowing demand at the start of the year (fewer stablecoin crab/arbitrage trades, moderate leverage on ETH/BTC following the late 2025 rallies).
- **Yield Comparison:** Despite this contraction, the net yield remains significantly higher than traditional Euro money market alternatives (AAA money market funds ~1.8–2.2%, time deposits ~1.9–2.4% for institutional clients). The gross yield spread vs. €STR remains positive and structural.
- **Liquidity:** Immediate liquidity was once again 100% available: no lock-ups or exit constraints were encountered, even during the minor crypto market fluctuations observed in mid-February.

Strategic Positioning Maintained

Allocation remains 100% focused on EURC Aave V3 Ethereum lending, a strategy we still consider the best balance of yield / risk / liquidity within the next-generation money market universe.

EURC maintains a solid TVL (~\$80–85M in the main pool) and sustained utilization, which keeps supply rates attractive without excessive concentration. EURC issuance increased by 4.28% over the last month, now reaching a total valuation of €392.7M tokens in circulation.

Main Risks – for more information, please refer to the details available on our website.

Liquidity Risk

Although designed for permanent availability, withdrawal depends on Ethereum blockchain conditions (network congestion, gas fees, confirmation times). In cases of extreme congestion, the delay may exceed 24–48 hours.
Mitigation Measure: Withdrawals possible at any time, generally fast execution (often <1 hour), no lock-up or penalty.

Market Risk / Yield Volatility

The yield is variable and depends on supply/demand for lending/borrowing on Aave. It can drop sharply without notice.
Mitigation Measure: Selection of pools meeting our security criteria and allowing for optimized dynamics.

Operational and Technological Risk

Risk related to failure of Cometh's infrastructure or technical outages.
Mitigation Measure: ISO 27001 certification, independent external audits, redundant infrastructure.

Regulatory and Legal Risk

Possible evolution of the MiCA framework or rules impacting operations or taxation. Aave not being MiCA-regulated, funds there are exposed to decentralized rules.
Mitigation Measure: Operations under MiCA CASP registration, proactive compliance.

Counterparty Risk on the Stablecoin Issuer

Risk related to the solvency or mismanagement of reserves by the issuer (Circle for EURC). In case of bankruptcy or reserve issues, the 1:1 parity could be affected.
Mitigation Measure: Exclusive collaboration with MiCA- or EMI-registered issuers, audited, segregated reserves held in top-tier European banks.

Bad Debt Risk

Risk that an extreme and sudden market shock causes insufficient cascading liquidations to cover the loan, leading to partial loss for liquidity providers.
Mitigation Measure: Conservative LTV parameters (75–85%), automatic and progressive liquidation, Aave's Safety Module (reserve fund ~1% of total TVL).

Protocol-Related Risk (Smart Contract Risk)

Funds are locked in smart contracts on Aave. A bug, exploit, or code flaw could lead to loss of funds.
Mitigation Measure: Aave protocol "battle-tested" since 2017, over 30 independent audits (PeckShield, Certik, Trail of Bits), active bug bounty program (Immunefi), no major hacks on main pools.

Capital Loss Risk

A partial theoretical loss remains possible in extreme and highly improbable market conditions (e.g., multiple protection mechanisms failing).
Mitigation Measure: Overcollateralization, automatic liquidation, MiCA-compliant partners.

Tax Risk

The tax regime for capital gains and investment income applies (similar to traditional monetary placements), but tax changes or administrative interpretations are possible.
Mitigation Measure: Consultation with a tax advisor recommended.

Risk of Non-Total Recovery

The investor is not assured of recovering the full invested capital in a combined catastrophe scenario (e.g., Aave flaw + Circle failure + blockchain congestion).

Glossary :

Term	Definition
€STR (Euro Short-Term Rate)	The European reference rate for overnight loans in Euros, published by the European Central Bank (ECB). It reflects the actual cost of unsecured borrowing between banks in the Eurozone. It is the European equivalent of the "risk-free rate" for Euro money market investments.
Supply APY (Annual Percentage Yield)	The annual rate of return earned by lenders (suppliers) when they deposit assets into a protocol like Aave. It includes compounding (interest that generates more interest) and fluctuates based on supply and demand. For EURC, this is the yield you earn by "lending" your digital Euros.
Overcollateralized	A security mechanism in DeFi: to borrow, one must deposit collateral worth more than the borrowed amount (e.g., depositing €150 to borrow €100). This protects lenders against price drops and prevents losses in the event of a default.
Lending (Supply)	The act of depositing assets (in this case, EURC) into a DeFi protocol to earn interest. The funds become available to other users who borrow them, and you receive a yield in return (Supply APY).
EURC (Circle Euro Coin)	A stablecoin (stable digital currency) issued by Circle, backed 1:1 by real Euros held in reserve (cash and equivalents). It always remains close to €1 and is designed for use in decentralized finance while being fully regulated (MiCA compliant).
Aave V3 Ethereum	Version 3 of the Aave protocol, a decentralized lending and borrowing platform on the Ethereum blockchain. It is the most "mature" DeFi protocol for lending: users deposit or borrow directly via smart contracts without a central intermediary.
DeFi (Decentralized Finance)	A financial system based on blockchain technology, without central banks or traditional intermediaries. Loans, borrowing, and exchanges are conducted via automated and transparent smart contracts.
Benchmark: 100% €STR	€STR (OIS = Overnight Index Swap): measures the return on a risk-free, short-term Euro investment with daily compounding. This is the benchmark that the product aims to outperform.
Borrowing	The act of borrowing assets on Aave by depositing collateral (overcollateralized). The interest paid by borrowers funds the yield for the lenders.
TVL (Total Value Locked)	The total amount of assets deposited in a DeFi protocol (e.g., ~\$80M for the EURC pool on Aave). It is a key indicator of popularity, liquidity, and confidence in the protocol.
Pool (Liquidity Pool)	A collective reserve of assets (in this case, EURC) deposited by users on Aave. Lenders deposit their funds, borrowers withdraw from it, and rates adjust automatically based on the supply/demand balance.
Non-custodial	Users maintain full control of their funds via their personal wallets. The protocol (Aave) does not hold private keys; everything is managed by public smart contracts.
Utilization Rate	The percentage of deposited funds that are effectively borrowed. The higher the utilization, the higher the yield rates for lenders (due to increased borrowing demand).
MiCA (Markets in Crypto-Assets Regulation)	A European regulation (effective since 2024/2025) that provides a framework for crypto-assets and stablecoins in the EU. It mandates transparency, reserve requirements, user protection, and licensing for issuers and service providers.
CASP (Crypto-Asset Service Provider)	A service provider for crypto-assets authorized under MiCA (e.g., for custody, exchange, or advisory services). This is the regulated status required to operate legally in Europe within the crypto space.
Accumulation (Income Allocation)	Earned interest is automatically reinvested (compounded) rather than distributed, which increases the total capital over time.

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