Monthly report | 31 March 2024

Twelve Cat Bond Fund I EUR

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Commentary

The positive performance in March was driven by carry and spread compression in the Cat Bond market.

There is still an active primary market throughout March where a lot of indemnity Cat Bonds covering tropical cyclone risk in the Gulf Coast/southeastern United States and earthquake risk in Japan could be seen. Nevertheless, there is selective spread tightening across the different deals, seeing some pricing on the wider and some on the tighter end.

Looking ahead a few weeks, Twelve Capital still expects several new issuances, especially related to hurricane coverage. Taking both into account, a stabilisation of spreads in the coming months is expected. Furthermore, there was no major event in March that had an impact on the portfolio.

Key Fund facts

ISIN	IE00BD2B9827
NAV/share	EUR 122.94
Fund size	USD 2'986'367'795
Share class currency	EUR
Distribution type	accumulating
Minimum investment	EUR 1'000'000
Dealing frequency	weekly
Share class currencies	USD, EUR, CHF, GBP, AUD
Investment management fees	0.90%
TER	1.06%
TER date	30.06.2023
Subscription/redemption fee	none

Risk & reward profile[2]

1	**2**	3	4	5	6	7

Lower risk
Typically lower rewards

Higher risk
Typically higher rewards

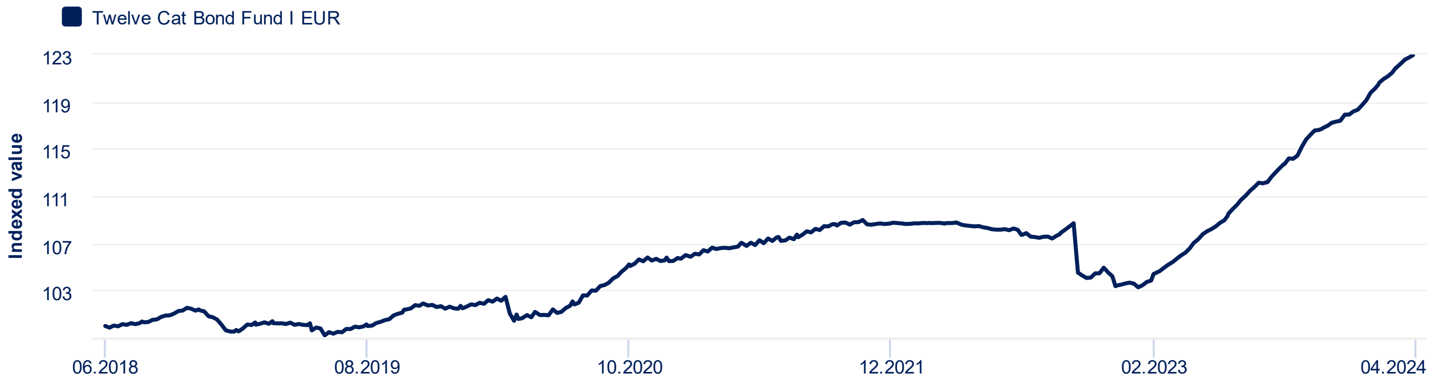
Performance statistics[1]

Month reported	0.88%	Best month	1.77%
Year to date	3.91%	Worst month	-3.02%
1 Year	15.35%	Positive months	72.86%
3 Years p.a.	4.75%	Max. drawdown	-5.24%
5 Years p.a.	4.16%	Volatility p.a.[3]	2.37%
Since inception total	22.94%	Sharpe ratio	1.36
Since inception p.a.	3.61%		

Rolling performance[1]

	03.2019 03.2020	**03.2020 03.2021**	**03.2021 03.2022**	**03.2022 03.2023**	**03.2023 03.2024**
Share class	0.68%	5.99%	1.40%	-1.78%	15.35%

Performance development[1]



Monthly returns[1]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**Year**
2019	0.64%	0.11%	-0.12%	-0.06%	-0.75%	0.27%	0.38%	0.37%	0.87%	0.53%	-0.22%	0.03%	**2.05%**
2020	0.26%	0.35%	-1.33%	0.22%	0.21%	0.67%	0.91%	0.79%	1.35%	0.56%	-0.01%	0.20%	**4.23%**
2021	0.39%	0.17%	0.39%	0.23%	0.26%	0.19%	0.45%	0.37%	0.13%	-0.17%	0.12%	-0.05%	**2.50%**
2022	0.07%	-0.01%	-0.18%	-0.14%	-0.16%	-0.43%	-0.23%	0.28%	-3.02%	-0.06%	-1.04%	0.21%	**-4.66%**
2023	0.79%	0.88%	1.20%	1.35%	1.17%	1.61%	0.98%	1.41%	1.28%	1.31%	0.59%	0.80%	**14.22%**
2024	1.77%	1.22%	0.88%										**3.91%**

[1] Past performance is not indicative of future returns. Performance figures are net of fees and costs

[2] The Fund's risk & reward profile shows the variations in value an investment in this Fund would have undergone over the past five years, whereby simulated performance data is used in the case of missing history. The Fund's risk rating may change in the future

[3] The volatility calculation is based on the frequency of the NAV calculation and is calculated since inception of the share class

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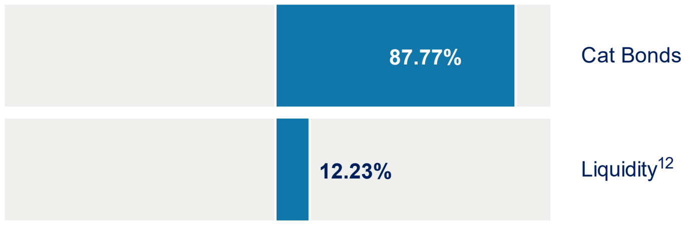
Portfolio characteristics

Gross yield in share class currency[4]	9.27%
Average coupon	10.53%
Discount margin	6.01%
Expected loss at issuance[5]	1.98%
Current excess spread[6]	4.03%
Average bond price	100.77
Avg time to maturity (years)	1.64
Modified duration	0.09
Investment degree	87.77%
Number of positions	255

Asset allocation



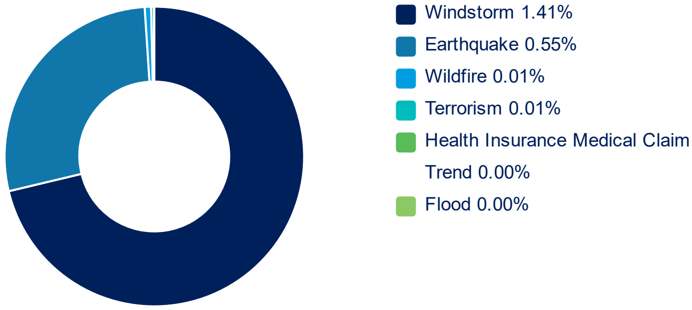
P&L exceedance[7]

95% TVaR	17.15%
99% TVaR	34.64%
95% VaR	0.25%
99% VaR	29.42%
99.5% VaR	34.67%
P<0	5.05%

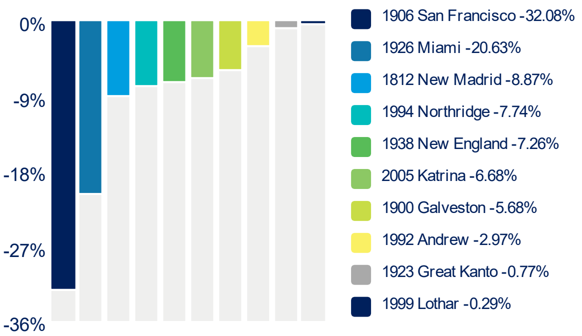
Expected loss bands[8]

EL	
0-1%	16.21%
1-2%	21.85%
2-3%	20.62%
3-5%	19.36%
5-10%	4.99%

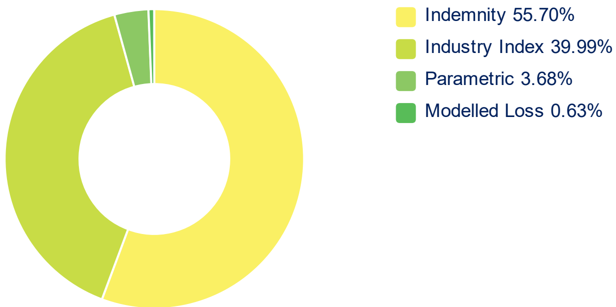
Expected loss contribution[9]



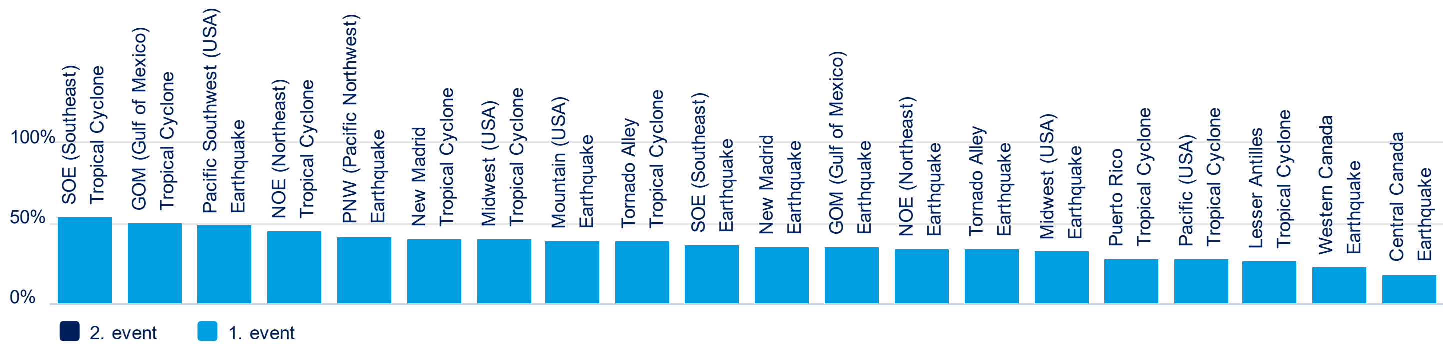
Historic drawdown simulations[10]



Trigger type[11]



Peril exposure



4 Discount margin plus the EUR ESTR 3M rate

5 This figure is a model-derived forward looking annualised expected loss rate and is based on a simulation of at least 10,000 years of stochastic events

6 This is the difference of the discount margin and expected loss at issuance

7 This shows the Fund's profitability at specific points on the percentile distribution of returns

8 The percentage (% of NAV) of positions which exhibit an expected loss within the relevant band

9 The contribution to the expected loss from different perils

10 Calculation based on data provided by AIR & RMS. Event sets of historical natural catastrophes run against current portfolio risks to generate loss estimates

11 % of investment degree

12 Liquidity: Liquidity includes cash, cash equivalents and FX related derivatives

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Investment objective

The Fund is invested in a globally diversified portfolio of Cat Bonds covering a broad range of perils, event categories, trigger and contract types. Events covered include hurricanes and earthquakes, predominantly in the US, alongside other natural catastrophe and mortality risks (subject to a limit of 10%). Cat Bonds are publicly traded Insurance-Linked Securities (ILS), which provide coverage to the sponsoring firm against certain insured events.

Fund facts

Domicile	Ireland
Legal structure	ICAV UCITS
Inception date	01.06.2018
End of fiscal year	31.12.
Minimum investment	EUR 1'000'000
Dealing frequency	weekly
Subscriptions	2pm IRL Time, 5 business days prior to the Valuation day
Redemptions	2pm IRL Time, 5 business days prior to the Valuation day
ISIN	IE00BD2B9827
Swiss Sec. No.	39591019
WKN	A2DUZJ
Bloomberg ticker	TWCBIEA ID Equity
Fund management company	MultiConcept Fund Management S.A.
Investment manager	Twelve Capital AG Dufourstrasse 101 8008 Zurich, Switzerland
Portfolio manager	Etienne Schwartz Managing Director, Head of Investment Management

ESG

- The Fund promotes, among other characteristics, environmental and social characteristics (Art 8 SFDR - Sustainable Finance Disclosure Regulation).
- The investment process incorporates sustainability considerations by applying Twelve's Exclusion List Policy and utilising Twelve's Sustainability Impact assessments.

Risk factors

An investment in the Fund is associated with various risks which include:

Concentration in one industry risk: When a portfolio is reliant on one industry or market segment (i.e., insurance industry), this creates concentration risk. Thus, it increases the likelihood that a single impact can have a big effect.

Event risk: Should an insured event occur and the defined threshold values be exceeded, then the value of a specific ILS instrument may decrease to the extent of a total loss.

Liquidity risk: Potentially, certain instruments may not be liquidated in a reasonable time frame.

Model risk: The calculated event probability of certain events is based on risk models. These only represent an approximation of reality and may be fraught with uncertainty and errors. Consequently, event risks can be significantly under- or overestimated.

Valuation risk: Due to a wide variety of market factors, there is no guarantee that the value determined by the Administrator will represent the value that can be realised on the eventual disposition of the investment or that would, in fact, be realised upon an immediate disposition of the investment.

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Glossary

Max. drawdown is the maximum cumulative loss from the historical peak to the following historical trough.

Volatility is a commonly used risk measure in the financial markets. It indicates variability in the return of an investment.

The Sharpe ratio expresses how much higher (or lower) a return an investor can expect compared to the risk-free rate of interest per unit of risk. The risk-free rate of interest varies from currency to currency and is set to the current annualised 1-month interest rate.

VaR is a measure that quantifies the level of risk within a portfolio. For a defined probability, the VaR is the threshold loss value to a portfolio that would be exceeded over a certain time period.

TVaR: Following on from the definition of VaR, the TVaR gives the expected value of the loss to the portfolio if the threshold loss value is exceeded.

Peril exposure: indicates what percentage of NAV is exposed to one particular risk in a certain region. As many cat bonds cover multiple risks in several geographic areas, these bonds are counted multiple times and the numbers add up to more than 100%.

The trigger type defines the circumstances under which a transaction is triggered;

- **The industry loss trigger** is based on the total insured loss of the entire industry. The industry loss data is typically provided by an independent company.
- **The indemnity trigger** is based on the actual loss experienced by the sponsor.
- **The parametric trigger** is based on measurable parameters such as wind speed or earthquake magnitude.
- **The modeled trigger** is based on the loss of the sponsor, calculated by an independent risk modeling company.

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