

## Commentary

All asset classes showed a positive performance contribution for the month. In the ILS space, the first hurricane of the season on the North Atlantic was named "Don". The storm system was rather uneventful and disappeared in colder waters. We are approaching the most active time of the year in terms of hurricane activity and should there be no significant catastrophe in the coming months, the year 2023 is looking likely to generate a strong performance for Cat Bond investors. For Insurance Debt and Equity, despite further rate hikes by the FED (+25bps) and ECB (+25bps), there were some positive developments. For the insurance sector, there were no significant headlines. Several insurance companies reported 1HY23 results: Beazley, Scor and Mapfre were all in line with expectations.

## Risk & reward profile<sup>2</sup>



## Key Fund facts

ISIN	LU1342495444
NAV/share	EUR 135.91
Fund size	EUR 142'287'330
Share class currency	EUR
Distribution type	accumulating
Minimum investment	EUR 25'000
Dealing frequency	weekly
Share class currencies	USD, EUR, CHF
Investment management fees	0.80%
Performance fee	15.00%
Hurdle	3M EUR €STR + 2% p.a.
High water mark	EUR 136.84
TER	1.28%
TER incl Performance fee	1.53%
TER date	30.09.2022
Subscription fee	none
Redemption fee	none

## Performance statistics<sup>1</sup>

Month reported	1.43%	Best month	9.50%
Year to date	7.17%	Worst month	-10.39%
1 Year	4.78%	Positive months	66.29%
3 Years p.a.	6.02%	Max drawdown	-18.11%
5 Years p.a.	3.99%	Volatility p.a. <sup>3</sup>	9.85%
Since inception total	35.91%	Sharpe ratio	0.44
Since inception p.a.	4.24%		

## Rolling performance<sup>1</sup>

	07.2018 07.2019	07.2019 07.2020	07.2020 07.2021	07.2021 07.2022	07.2022 07.2023
Share class	0.52%	1.56%	17.15%	-2.93%	4.78%

## Performance development<sup>1</sup>



## Monthly returns<sup>1</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	0.92%	-1.38%	-0.36%	1.17%	-1.77%	-1.75%	1.30%	0.17%	1.21%	-2.45%	-1.75%	-2.03%	-6.61%
2019	2.88%	2.13%	-1.73%	3.54%	-4.26%	3.14%	0.00%	-1.17%	2.53%	1.75%	2.06%	1.67%	12.96%
2020	0.70%	-3.30%	-10.36%	3.70%	0.95%	3.10%	0.77%	2.47%	-0.43%	-1.73%	9.50%	1.28%	5.56%
2021	-1.63%	3.67%	2.29%	1.27%	0.00%	-0.70%	0.44%	0.99%	-0.86%	2.18%	-2.13%	2.26%	7.88%
2022	0.86%	-2.12%	0.47%	-2.51%	1.07%	-3.46%	0.46%	-0.65%	-10.39%	5.24%	4.10%	0.24%	-7.31%
2023	2.59%	0.56%	-2.06%	2.53%	0.85%	1.13%	1.43%						7.17%

<sup>1</sup> Past performance is not indicative of future returns. Performance figures are net of fees and costs

<sup>2</sup> 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

<sup>3</sup> The volatility calculation is based on the frequency of the NAV calculation and is calculated since inception of the share class

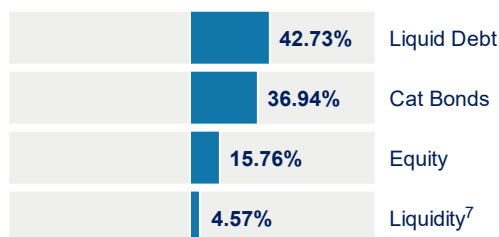
## Portfolio characteristics

Portfolio yield in share class currency <sup>6</sup>	9.98%
Modified duration	1.49
Investment degree	95.43%
Number of positions	109

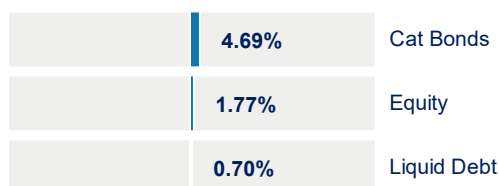
## Top 10 portfolio positions

UNIPOLSAI ASSICURAZIONI FLT PERP SR:EMTN	4.12%
SCOR SE	3.36%
UTMOST GROUP FLT PERP	2.95%
FIDELIDADE CIA SEGUROS FLT 09/04/31	2.85%
ALLIANZ SE FLT PERP SR:REGS	2.69%
ACHMEA BV FLT PERP	2.67%
DIRECT LINE INSURANCE GR FLT PERP	2.57%
UNUM GROUP	2.51%
JUST GROUP PLC FLT 04/15/31	2.18%
MUENCHENER RUECKVER AG-REG	2.18%

## Asset allocation



## Contribution by asset class<sup>4</sup>

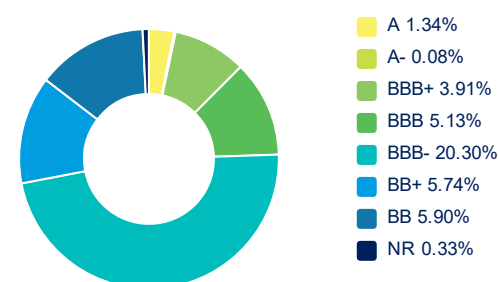


# Insurance Bonds

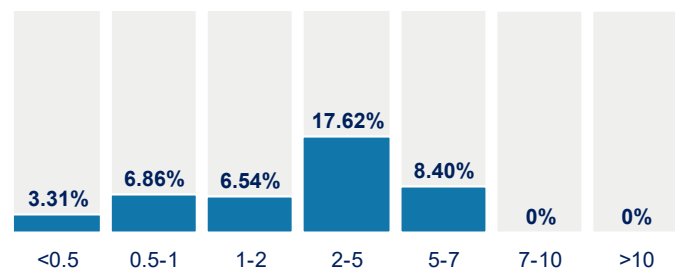
## Portfolio characteristics

Average coupon	5.72%
Yield to expected buyback in bond ccy	8.47%
Yield to expected buyback hedged to share class ccy	7.45%
Average issue rating	BBB- to BBB
Modified duration	3.19

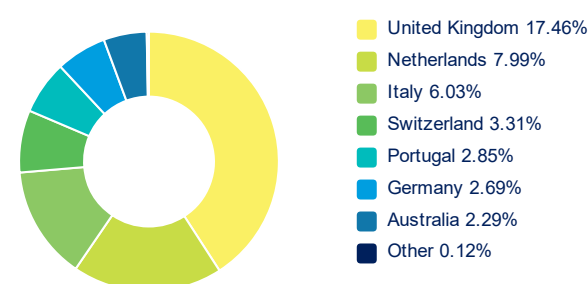
## Rating profile<sup>5</sup>



## Duration profile



## Country allocation



<sup>4</sup> YTD performance contribution by an asset class is calculated by TWC. Performance contribution is hedged into the share class currency and adjusted for fees and liquidity proportionally to the average weight of an asset class

<sup>5</sup> Worst of S&P and Moody's presented as S&P equivalent rating

<sup>6</sup> This is a combination of the allocation-weighted yield to expected buy back for Insurance Bonds, discount margin for Insurance-Linked Securities and dividend yield for Equities. The metric is converted to the shareclass currency using the current spread between the reference interest rates of instrument currencies and the shareclass currency

<sup>7</sup> Liquidity: Liquidity includes cash, cash equivalents and FX related derivatives

## Cat Bonds

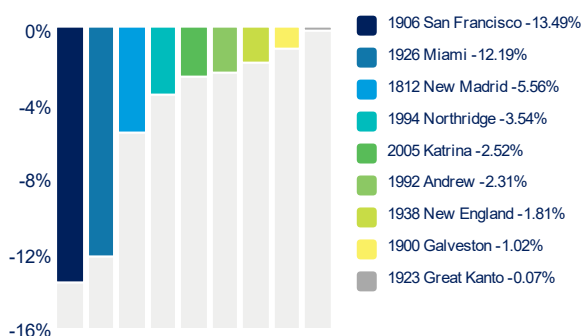
### Portfolio characteristics

Spread at issuance	9.52%
Discount margin	12.77%
Expected loss at issuance	2.67%
Excess spread at issuance <sup>8</sup>	6.85%

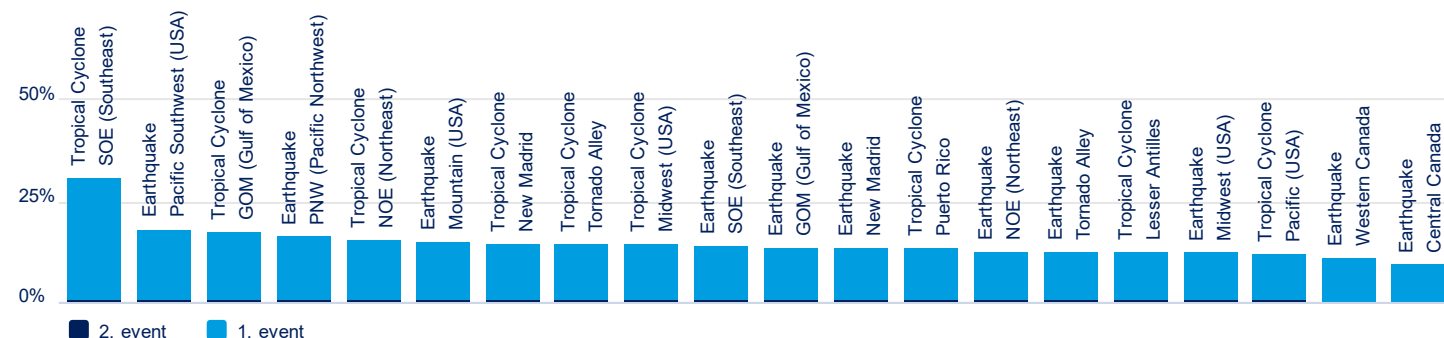
### P&L exceedance<sup>9</sup>

95% TVaR	10.42%	99% VaR	15.97%
99% TVaR	21.40%	99.5% VaR	21.63%
95% VaR	1.86%	P<0	6.12%

### Historic drawdown simulations<sup>10</sup>



### Peril exposure

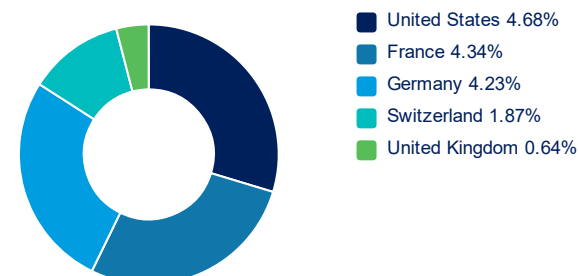


## Equity

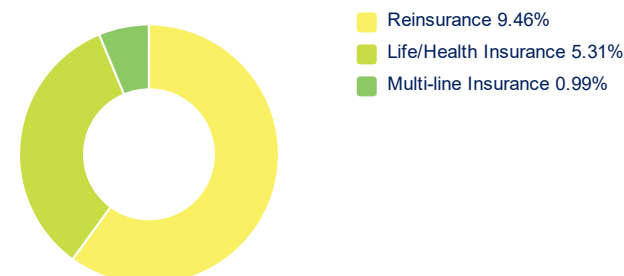
### Portfolio characteristics

Average dividend yield	4.34%
Forward Price/Earnings ratio	7.88
Forward Price/Book ratio	1.37x

### Country allocation



### Allocation by sub-sector


<sup>8</sup> This is the difference of spread at issuance and expected loss at issuance

<sup>9</sup> This shows the Fund's profitability at specific points on the percentile distribution of returns

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

## Investment objective

The Fund is invested in liquid instruments in the insurance sector, including Insurance Bonds, Insurance-Linked Securities (ILS), Cat Bonds, as well as listed Insurance Equities. Twelve Capital's strategy seeks to exploit market inefficiencies in a highly regulated and complex sector. The Fund can take advantage of shorter-term seasonal dynamics by which Cat Bonds and Insurance Equities can perform strongly, albeit at different points in the cycle.

## Fund facts

Domicile	Luxembourg
Legal structure	SICAV UCITS
Inception date	11.03.2016
End of fiscal year	30.09.
Minimum investment	EUR 25'000
Dealing frequency	weekly
Subscriptions	3pm LUX Time, 3 business days prior to the Valuation day
Redemptions	3pm LUX Time, 10 business days prior to the Valuation day
ISIN	LU1342495444
Swiss Sec. No.	30991101
WKN	A2AKLE
Bloomberg ticker	TWLIBPE LX 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 Multi Asset

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## 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:**

**Counterparty risk:** The counterparty in a credit, or trading transaction may not fulfil its part of the deal and may default on the contractual obligations.

**Equity risk:** Equities may face significant fluctuations in market prices due to adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company.

**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.

**Interest rate risk:** In particular fixed rate securities may be affected by changing interest rates which may reduce or increase the market value of a bond.

**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.

## Glossary

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

Asset weighted portfolio average **yield to expected buyback date**. Expected buyback dates are defined within the Twelve Capital proprietary analysis framework by reference to factors influencing capital utility. They represent Twelve Capital opinions on likely buyback dates and are not guaranteed.

**The expected loss** is an average figure indicating the loss that can be expected over one year, based on a simulation of at least 10'000 years of stochastic events.

**Dynamic expected loss** is an annualised, weighted average figure, indicating the loss that could be expected over the remaining risk period of all transactions. As for the expected loss, the calculation is based on a simulation of at least 10'000 years of stochastic events.

**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** gives the expected value of the loss to the portfolio if the threshold loss value is exceeded.

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