

# Twelve Cat Bond Fund B EUR

THIS IS A MARKETING DOCUMENT THAT ONLY OUTLINES CERTAIN KEY FEATURES OF THE PRODUCT. PLEASE ENSURE YOU READ THE PROSPECTUS, KEY INVESTOR INFORMATION DOCUMENT AND RELEVANT SUPPLEMENT BEFORE YOU MAKE A DECISION TO INVEST IN THE FUND.

## Commentary

The wave of primary issuances continued to drive Cat Bond spreads wider in primary and secondary markets. Several newly announced transactions could not secure the desired interest with Cat Bond investors and had to be reduced in size, pay a significantly higher spread than initially intended or were not placed in the market at all. As a result, Cat Bond performance continues to be slightly below expectations, as secondary market valuations were lowered again to reflect the higher spread environment.

The Fund continues to be close to its target investment degree. The hurricane season has officially started and performance in the coming weeks will be primarily driven by tropical storm activity in the Atlantic. Twelve Capital will again issue event updates during the season.

## Key Fund facts

ISIN	IE00BD2B9603
NAV/share	EUR 105.76
Fund size	USD 1'845'366'355
Share class currency	EUR
Distribution type	accumulating
Minimum investment	EUR 10'000
Dealing frequency	weekly
Share class currencies	USD, EUR, CHF, GBP
Investment management fees	1.50%
TER	1.65%
TER date	31.12.2021
Subscription/redemption fee	none

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

Month reported	-0.21%	Best month	1.30%
Year to date	-0.67%	Worst month	-0.23%
1 Year	0.00%	Positive months	70.83%
3 Years p.a.	n/a	Max. drawdown	-1.11%
5 Years p.a.	n/a	Volatility p.a. <sup>3</sup>	1.39%
Since inception total	5.76%	Sharpe ratio	2.45
Since inception p.a.	2.86%		

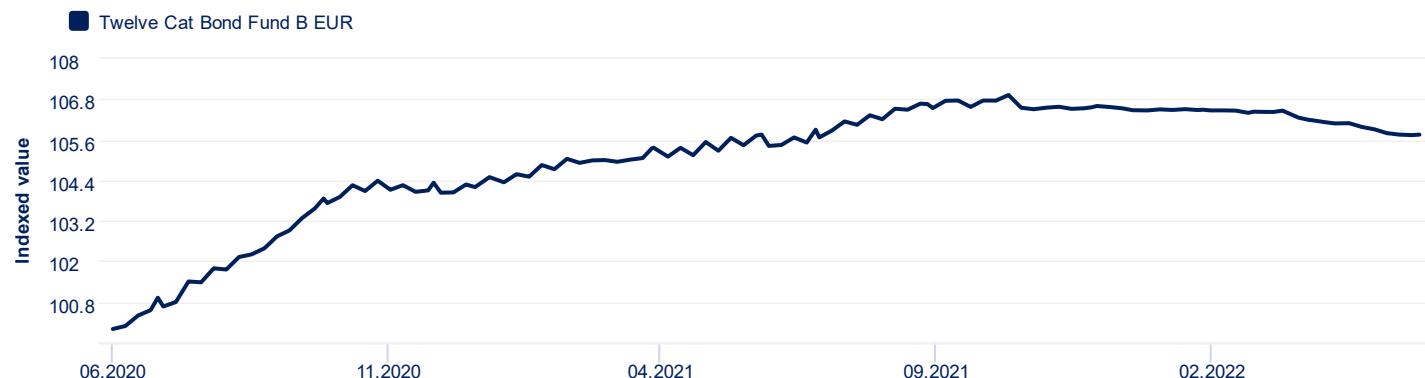
## Rolling performance<sup>1</sup>

	05.2020	05.2021
Share class	5.76%	0.00%

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



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



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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020						0.93%	0.86%	0.72%	1.30%	0.51%	-0.06%	0.16%	4.50%
2021	0.34%	0.13%	0.34%	0.18%	0.21%	0.14%	0.40%	0.31%	0.08%	-0.22%	0.05%	-0.09%	1.89%
2022	0.02%	-0.05%	-0.23%	-0.19%	-0.21%								-0.67%

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

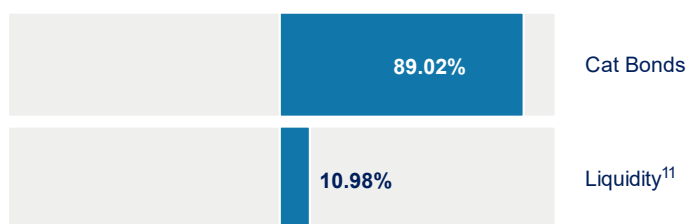
<sup>2</sup> The Fund's risk & reward profile shows the variations in value an investment in this Fund would have undergone over the past five years, whereby simulated performance data is used in the case of missing history. The Fund's risk rating may change in the future

<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

Average coupon	6.11%
Discount margin	5.77%
Spread at issuance	5.36%
Expected loss at issuance <sup>4</sup>	2.17%
Excess spread at issuance <sup>5</sup>	3.20%
Average bond price	98.91
Avg time to maturity (years)	2.10
Modified duration	0.05
Investment degree	89.02%
Number of positions	199

## Asset allocation



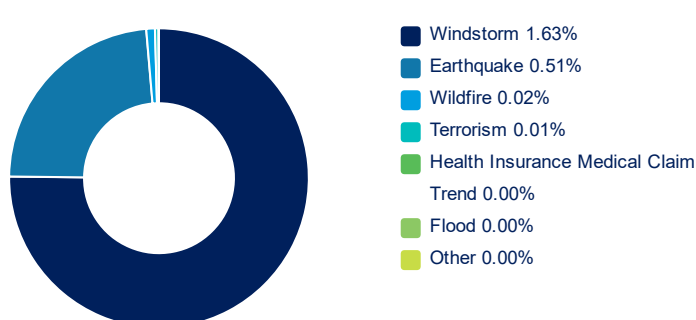
## P&L exceedance<sup>6</sup>

95% TVaR	25.84%
99% TVaR	45.57%
95% VaR	4.64%
99% VaR	40.56%
99.5% VaR	45.59%
P<0	6.79%

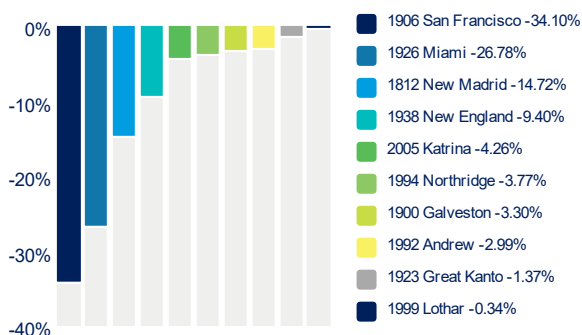
## Expected loss bands<sup>7</sup>

EL	
0-1%	13.70%
1-2%	22.27%
2-3%	14.96%
3-5%	22.23%
5-10%	8.11%

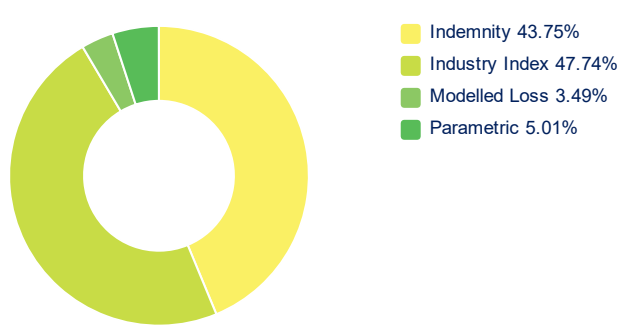
## Expected loss contribution<sup>8</sup>



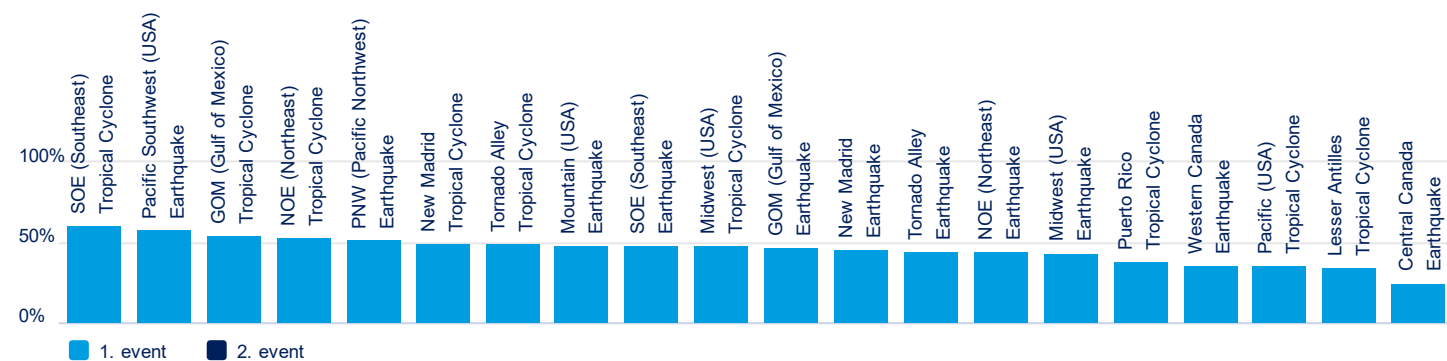
## Historic drawdown simulations<sup>9</sup>



## Trigger type<sup>10</sup>



## Peril exposure


<sup>4</sup> 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

<sup>5</sup> This is the difference of spread at issuance and expected loss at issuance

<sup>6</sup> This shows the Fund's profitability at specific points on the percentile distribution of returns

<sup>7</sup> The percentage (% of NAV) of positions which exhibit an expected loss within the relevant band

<sup>8</sup> The contribution to the expected loss from different perils

<sup>9</sup> Calculation based on data provided by AIR & RMS. Event sets of historical natural catastrophes run against current portfolio risks to generate loss estimates

<sup>10</sup> % of investment degree

<sup>11</sup> Liquidity: Liquidity includes cash, cash equivalents and FX related derivatives

## 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. Cat Bonds are publicly traded Insurance-Linked Securities (ILS), which provide coverage to the sponsoring firm against certain insured events. Events covered include hurricanes and earthquakes, predominantly in the US, other natural catastrophes and an expanding range of non-natural perils.

## Fund facts

Domicile	Ireland
Legal structure	ICAV UCITS
Inception date	05.06.2020
End of fiscal year	31.12.
Minimum investment	EUR 10'000
Dealing frequency	weekly
Subscriptions	2pm GMT, 5 business days prior to the Valuation day
Redemptions	2pm GMT, 5 business days prior to the Valuation day
ISIN	IE00BD2B9603
Swiss Sec. No.	39590479
WKN	A2P6JM
Bloomberg ticker	TTCBBEA ID Equity
Fund management company	MultiConcept Fund Management S.A.
Investment manager	Twelve Capital AG Dufourstrasse 101 8008 Zurich, Switzerland
Portfolio manager	Florian Steiger Executive Director, Cat Bond Strategy

## 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

**Investment in the Fund is associated with various risks which include:**

**Event risk:** Should an insured event occur and the threshold values be exceeded, then the value of a Cat Bond in which the Fund invests may decrease to the extent of a total loss.

**Model risk:** The Investment Manager uses risk models to estimate the event probability of the Cat Bonds in which the Fund invests. These risk models are constantly being revised and developed, but they only represent an approximation of reality. These models are fraught with uncertainty and errors. Consequently, event risks can be significantly under- or overestimated.

**Absence of operating history:** The Cat Bonds in which the Fund invests are typically issued by newly formed special-purpose vehicles. These issuers will often not have any operating history.

**Liquidity risk:** The Fund may not be able to dispose of its investments so as to be able to meet redemption requests as they are made. This could arise from the fact that there is currently a limited number of active participants on the Cat Bond market.

## Contact

info@twelvecapital.com  
+41 (0)44 5000 120  
twelvecapital.com

## 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.

This material has been prepared by Twelve Capital AG, Twelve Capital (UK) Limited, Twelve Capital (DE) GmbH or their affiliates (collectively, "Twelve Capital"). This material has been furnished solely upon request and is intended for the recipient personally and may not be reproduced or otherwise disseminated in whole or in part without prior written consent from Twelve Capital. It is expressly not intended for persons who, due to their nationality or place of residence, are not permitted access to such information under local law as the product may not be authorised or its offering may be restricted in certain jurisdictions. It is the responsibility of every investor to satisfy himself as to the full observance of such laws, regulations and restrictions of the relevant jurisdiction. This is an advertising document.

This information was produced by Twelve Capital to the best of its knowledge and belief. However, the information herein may be based on estimates and may in no event be relied upon. All information and opinions contained in this document are subject to change without notice. Twelve Capital's analyses and ratings, including Solvency II compliance analysis, Twelve Capital's Counterparty Credit Rating and Twelve Capital's Legal Rating, are statements of Twelve Capital's current opinions and not statements of fact. Source for all data and charts (if not indicated otherwise): Twelve Capital. Twelve Capital does not assume any liability with respect to incorrect or incomplete information (whether received from public sources or whether prepared by itself or not). This material does not constitute a prospectus, a request/offer, nor a recommendation of any kind, e.g. to buy/subscribe or sell/redeem investment instruments or to perform other transactions. The investment instruments mentioned herein involve significant risks including the possible loss of the amount invested as described in detail in the offering memorandum(s) for these instruments which will be available upon request. Investments in foreign currencies involve the additional risk that the foreign currency might lose value against the investor's reference currency. Investors should understand these risks before reaching any decision with respect to these instruments. The information does not take account of personal circumstances and therefore constitutes merely promotional communication, and not investment advice. Consequently, Investors are advised to take all necessary legal, regulatory and tax advice on the consequences of an investment in the product. Past performance is no indication or guarantee of future performance. The performance shown does not take account of any commissions and costs associated with subscribing to and redeeming shares.

The subfund(s) on the Twelve Capital UCITS ICAV umbrella mentioned in this publication was/were issued in Ireland as an Irish Collective Asset-management Vehicles pursuant to the Irish ICAV Act of 2015.

All transactions should be based on the most up-to-date prospectus, the relevant investor information documents and all applicable local offering documents. These documents together with the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the legal representative, the fund manager or Twelve Capital's regional contact.

The fund manager is MultiConcept Fund Management S.A., registered with the Luxembourg Trade and Companies Register under number R.C.S. Luxembourg B 98834, 5, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. MultiConcept Fund Management S.A. and / or its affiliates have not sought to verify any information contained herein and make no representation or warranties as to the accuracy, completeness, or reliability of such information.

In Switzerland, the legal representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the Paying agent is Credit Suisse (Switzerland) Ltd., Paradeplatz 8, CH-8001 Zurich.

Note to Swiss investors: The collective investment scheme ("CIS") is considered a foreign investment scheme pursuant to Art. 119 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("CISA"). The product has been licensed by the Swiss Financial Market Supervisory Authority ("FINMA") for offering to non-qualified investors pursuant to Art. 120 para. 1 to 3 CISA.

Note to EEA investors: when distributed in the EEA, this information has been distributed by Twelve Capital (DE) GmbH in accordance with the terms of its authorisation and regulation by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

Note to US investors: Neither this information nor any copy thereof may be sent, taken into or distributed in the United States or to any U.S. person (within the meaning of Regulation S under the US Securities Act of 1933, as amended). The products and services described herein may not be offered to or purchased directly or indirectly by US persons.

Twelve Capital intends to fulfil the prerequisites for treatment of the fund as so-called "transparent fund" pursuant to the German Investment Tax Act (Investmentsteuergesetz – InvStG). However, it cannot be guaranteed that the requirements will be met. Twelve Capital reserves the right to give up the "transparent status" and to not undertake the necessary publications. Taxation implications of an investment depend on specific situation of the individual investor and are subject to changes.

Twelve Capital AG is licensed as "Manager of collective investment schemes" by the Swiss regulator FINMA. Twelve Capital AG is incorporated in Switzerland, registered number 130.3.015.932-9, registered office: Dufourstrasse 101, 8008 Zurich. Twelve Capital (UK) Limited is incorporated in England & Wales: company number 08685046, registered office: Moss House, 15-16 Brook's Mews, London, W1K 4DS. Twelve Capital (UK) Limited is authorised and regulated by the UK Financial Conduct Authority and is registered as a commodity pool operator ("CPO") with the U.S. Commodity Futures Trading Commission ("CFTC") and is a member of the National Futures Association (the "NFA") in such capacity. Such registrations and membership in no way implies that the FCA, the CFTC or the NFA have endorsed Twelve Capital (UK) Limited's qualifications to provide the advisory services described in this document. Twelve Capital (DE) GmbH is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) in Germany. Twelve Capital (DE) GmbH is incorporated in Munich, Germany, commercial register number (registry court: Munich) HRB 252423, registered office: Theatinerstrasse 11, 80333 Munich.

© 2022 Twelve Capital. All Rights Reserved