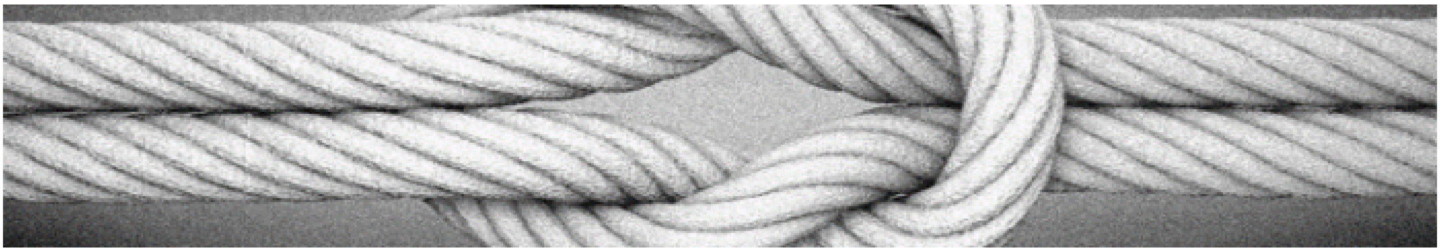
Plenum Insurance Linked Capital

Plenum Insurance Capital Fund

I-Share Class I Capitalization I CHF I LI0542471029

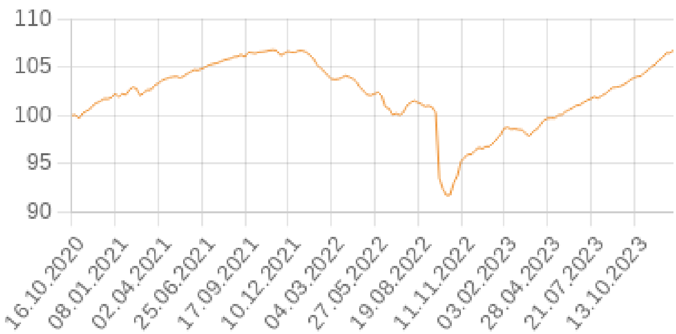
"Tail-to-Tier" leads to more efficient management of concentration risks, benefits from premium differentials and better control of saisonal sisks – CAT and Insurance Bonds in the best sense.



Investment Strategy

In order to achieve the return target of 4.5% p.a in EUR, we make use of the strong complementarity of CAT bonds and insurance bonds. We pay attention to global diversification and benefit from premium differences between the two asset classes (cyclicity).

Performance (Chart)



Portfolio Key Figures

Net Asset Value	USD 441.6 Mio.
Investment Degree	97.22%
Number of Positions	163
10 Largest Positions	16.22%
Average Position Size	0.60%
Portfolio Yield (USD)	11.79%
Portfolio Yield (EUR)	10.33%
Portfolio Yield (CHF)	8.08%
Portfolio Yield (GBP)	11.60%

ESG

Natural Catastrophes, Life & Health	95.6%
Meteorological Risk	77.4%
EU sustainability-related classification	Article 8
FNG-Label	1 Star

Statistic (Fund)

NAV	106.73
MTD	1.36%
YTD	10.30%
Last 12 Months	10.30%
Last 36 Months	4.93%
Total Return	6.73%
Total Return annualized	2.02%
Volatility (12M)	1.59%
Sharpe Ratio	0.31
% Positive Months	69.23%
Best Month	3.20%
Worst Month	-7.64%

Market Comment

The fund ended the year with a total return of 14.71% in the reference share class I USD. While this excellent result was driven mainly by CAT Bonds, Insurance Bonds contributed to performance especially during November and December. We will remember 2023 for several records in the CAT Bond market. According to artemis.bm, the full year deal volume reached USD 16.4bn which lifted the market size to USD 45bn. The most significant innovation was the launch of four 144a-type Cyber CAT Bonds – we participated in all of them but also imposed an overall exposure cap at 2% of NAV for Cyber CAT Bonds due to their high intra-peril correlation. Also, we saw New Zealand's first Quake Bond, a renewal of a Chilean Quake bond and European CAT Bonds becoming more regionally diverse. Last but not least, 2023 will be remembered for its record high CAT Bond Performance which was driven by 1) price recoveries post Ian, 2) record high Insurance Spreads and 3) very high collateral yields. The last two factors will persist well into 2024 which is why we remain very positive (and relatively overweight) on CAT Bonds. For Insurance Bonds, a lot of Central Bank easing has already been priced in in the short term. Still, we expect additional price performance on the back of spread tightening throughout the year which supports the case for the combined approach to CAT Bonds and Insurance Bonds. Year on Year the fund grew from USD 329m to USD 441m – as always we continue to emphasize the importance of disciplined and non-dilutive fund growth, especially during the hurricane season.

Performance (Table)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023	1.26%	0.64%	-0.30%	1.40%	0.38%	1.03%	0.82%	0.60%	0.83%	0.69%	1.15%	1.36%	10.30%
2022	-0.72%	-1.69%	-0.20%	-0.98%	-0.65%	-1.50%	0.31%	0.16%	-7.64%	-0.50%	3.20%	0.82%	-9.32%
2021	0.41%	-0.08%	1.07%	0.82%	0.32%	0.48%	0.67%	0.52%	0.44%	0.10%	-0.41%	0.46%	4.91%
2020	-	-	-	-	-	-	-	-	-	-0.31%	1.42%	0.60%	1.72%

In Focus

What worked? What did not work? The shift from Insurance Bonds into CAT Bonds throughout 2023 and especially during the benign hurricane season was the single most important contributor to performance. The fund experienced only two small write offs from Hurricane Otis and Hurricane Ian amounting to around 0.2% of NAV on aggregate. Insurance Bonds underperformed in the beginning of the year as insurance (!) rT1 positions sold off in sympathy with bank AT1 following the write-down of of Credit Suisse AT1 paper. We used this opportunity to further increase our positions in insurance rT1s which benefitted the portfolio towards year end. E.g. we added more PHNXLN 5.625% perp on 20 March at a level below 80 and took profit at a level above 94 in November. A similar negative surprise was a court decision regarding an ongoing miss-selling litigation against the a.s.r. which also indirectly impacted other Dutch insurers like NN Group – but here again we used this opportunity and added the NNGRNV 6% Tier 2 to our portfolio which performed well during December when a settlement a.s.r. settled the litigation. Last but not least we increased the duration of the Insurance Bond sub-portfolio during November from 3.8 to 4.3 years which helped during the bond rally in December.

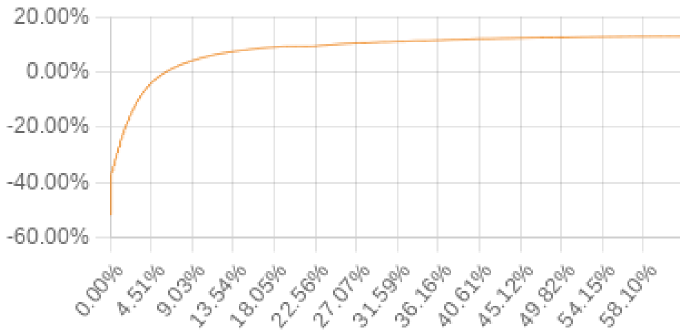
Key Figures (CAT Bonds)

Portfolio Share	72.1%
Number of Positions	130
Average Position Size	0.55%
Number of Sponsors	70
Collateral Return	5.21%
Discount Margin (Insurance risk compensation)	7.77%
Average Expected Loss ("EL")	2.85%
Average Price	97.3
Average Time to Maturity	1.7
Modified Duration (Years)	-

Top 5 (CAT Bonds)

Name	% NAV	DM***	Peril
RESIDENTIAL RE 2023 LTD 2023-1 14	1.77%	6.65%	US MP
TORREY PINES RE PTE. LTD 2021-1-B	1.65%	8.52%	US EQ
TOPANGA RE LTD 2021-1 A	1.54%	8.79%	US MP
WRIGLEY RE LTD 2023-1 A	1.49%	6.55%	NA MP
FLOODSMART RE LTD 2022-1 A	1.48%	12.08%	US TC

Aggregate Loss Exceedance Probability Curve



VaR (CAT Bonds)

	Sub Portfolio	NAV
VAR (99%)	35.60%	25.66%
VAR (99.5%)	42.87%	30.90%
TVAR (99%)	42.62%	30.72%
TVAR (99.5%)	46.11%	33.24%

Historic Events

Great Miami, 11 September 1926	19.75%	14.24%
Great San Francisco, 18 April 1906	17.72%	12.77%
Galveston, 27 August 1900	16.32%	11.76%
Long Island Express, 10 September 1938	10.37%	7.48%
Northridge, 17 January 1994	7.61%	5.48%
Pinar del Rio, 12 October 1944	5.38%	3.88%
New Madrid, 16 December 1811	2.09%	1.51%
Katrina, 23 August 2005, Levees 2011	1.51%	1.09%
Lothar, 26 December 1999	0.35%	0.25%
Great Kanto, 01 September 1923	0.00%	0.00%

Risk Exposure and Regions (CAT Bonds)

Peril	% EL
US SE Hurricane	47.26%
US NE Hurricane	12.20%
California Earthquake	10.97%
US Flood	8.67%
Europe Storm	3.12%
Japan Typhoon	2.50%
US Severe Thunderstorm	1.76%
Pacific NW Earthquake	1.53%
Japan Earthquake	1.46%
UK Terrorism	1.43%
US Fire	1.15%
New Zealand Earthquake	0.79%
Global Cyber	0.79%
New Madrid Earthquake	0.77%
Chile Earthquake	0.77%
Others	4.83%

Key Figures (Insurance Bonds)

Portfolio Share	25.1%
Number of Positions	33
Average Position Size	0.8%
Number of Issuers	23
YteC*	9.7%
Average Price	89.31
Modified Duration (Years)	4.3
Coverage Ratio / MSCI ESG Rating	100% / A

Classes (Insurance Bonds)

Restricted Tier 1	55.9%
Tier 2	34.9%
Tier 3	0.0%
Tier 1 grandfathered	1.9%
Tier 2 grandfathered	5.0%
Other	2.3%

Domicile (Insurance Bonds)

Benelux	21.5%
UK	36.8%
Germany	8.7%
France	11.9%
Italy	10.8%
Other	10.3%

Top 5 (Insurance Bonds)

ASRNED 4 5/8 PERP	1.88%	BB+	3.3	8.1%	Solvency II - T1
Directline 4.75 PERP	1.74%	Ba1	3.4	11.8%	Solvency II - T1
SCOR 5 1/4 PERP	1.70%	BBB+	4.2	10.3%	Solvency II - T1
ROTHLF 4 7/8 PERP	1.53%	BBB-	3.2	11.4%	Solvency II - T1
Unipol 6 3/8 PERP	1.44%	BB	5	7.1%	Solvency II - T1

Issuer (Insurance Bonds)

Name	% NAV	SCR**	Domicile
Rothesay	1.91%	255%	United Kingdom
Unipol	1.88%	200%	Italy
ASR	1.88%	222%	Netherlands
Direct Line	1.74%	147%	United Kingdom
Scor	1.70%	213%	France

Sub-Sectors

Reinsurance	14.0%
Life	28.6%
Non-Life	15.6%
Composite	41.9%

Basic Data (Fund)

Performance Target	4-4.5% in EUR p.a.
Fund Domicile	Liechtenstein
Fund Structure	UCITS V
Distribution	AT/CH/DE/LI/SP
Base Currency	USD
Assets under Management	USD 442mn
Assets in Strategy	USD 442mn
Appropriation of Income	accumulating
Fund Inception Date	29.05.2020
Financial Year	Dec. 31
Bewertungsintervall	weekly
Order Cut-Off (Subscriptions)	T-3 (16:00 MEZ)
Order Cut-Off (Redemptions)	T-5 (16:00 MEZ)
NAV Publication (T + 1)	weekly
Settlement	T + 3
Daily Trading Swiss Exchange	-
Minimum first Investment	CHF 0.1 Mio.
Management Fee	0.70%
Performance Fee	keine
TER (30.06.2023)	0.88%
ISIN	LI0542471029
WKN	A2P48N
Valor	54247102
BB Ticker	PLPICIC LE

Risks

The value of a share can fall below the cost price. This requires an increased willingness and ability to take risks. Each fund has specific risks. The risks can be found in the prospectus. The following risk description is not exhaustive. An investment in the fund is associated with various risks, such as:

- Valuation Risk: Due to a variety of market factors, there is no guarantee that the value determined by the Administrator will be the value that may be realized if the investment is sold or that would actually be realized if the investment were sold immediately.
- Event Risk: If an insured event occurs and the defined thresholds are exceeded, the Fund may suffer a significant loss in value.
- Counterparty/credit risk: The bankruptcy or insolvency of the fund's derivative counterparties may result in a payment or delivery default.
- Risk Concentration: If a portfolio is dominated by one market segment (e.g. U.S. hurricane risks), this leads to an increase in credit or event risk. Thus, it increases the likelihood that a single natural disaster event can have a large value-diminishing effect.
- Political and legal risks: Investments are subject to changes in regulations and standards applicable in a particular country. This includes restrictions on currency convertibility, imposition of taxes or transaction controls, restrictions on property rights or other legal risks.
- Liquidity Risk: It may not be possible to liquidate certain instruments in a reasonable time frame. The Fund's investments could have limited liquidity.
- Interest Rate Risk: The Fund is exposed to interest rate risk. If market interest rates rise, the market value of the interest-bearing securities held in the assets may fall significantly. This applies to an increased extent insofar as the assets also hold interest-bearing securities with longer residual terms and lower nominal interest rates.
- Model risk: The calculated probabilities of occurrence for certain events are based on risk models. These represent only an approximation of reality and may be subject to uncertainty and error. Consequently, event risks may be significantly under- or overestimated.

- Sustainability risks: Sustainability risks include environmental, social or governance-related events or conditions that may have a material adverse effect on returns depending on the sector, industry and company exposure.

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