

Plenum Insurance Capital Fund (P Class)

Managing high-yielding insurance risks more efficiently with "Tail-to-Tier"



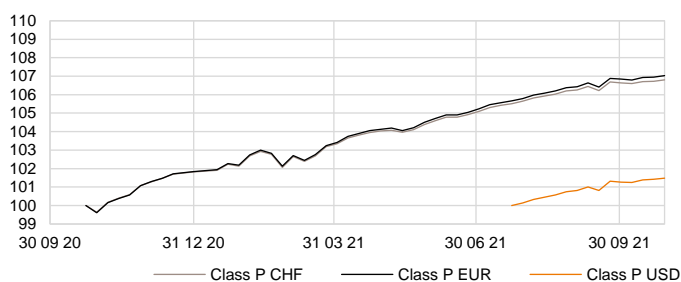
Motivation

The attractive premiums of high-yielding reinsurance risks no longer have to be bought with high tail risks. With our "tail-to-tier" approach, we reduce concentration risks without having to accept a reduction in no-loss return.

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 (cyclicality).

Performance Development (net of fees)



Performance and Commentary

The monthly performance of the fund was positive. Until mid-October, hurricane bonds were the main contributors to performance - insurance bonds suffered from inflation and interest rate fears. The Swiss Re CAT Bond Index generated +0.69% in performance over the same period.

Primary and secondary market

We sold hurricane positions on a larger scale based on our tail-to-tier approach. Price performance and coupon performance had generated an annualized return of approx. 10% during the 150-day holding period and thus the earnings potential of those positions was fully exploited. The price weakness of the insurance bonds was used to reinvest the generated cash promptly. Our active reduction of the duration in the insurance bond sub-portfolio in the previous month had provided us with sufficient flexibility to buy longer-dated bonds again on a moderate scale.

Total Portfolio Statistics

Net Asset Value	USD 204.3 Mio.
Investment Degree	92.15%
Number of Positions	94
10 Largest Positions	23.41%
Average Position Size	0.98%
Portfolio Yield (USD)	4.56%
Portfolio Yield (EUR)	3.81%
Portfolio Yield (CHF)	3.60%
Weighted Average Duration (Years)	1.66

In addition, two California wildfire bonds came to the market. Power Protective Re covers wildfires mainly in LA County and has a risk premium of 15%. SD Re covers wildfires in San Diego County and has a risk premium of 9.25% on the Class B. We are invested in both bonds as we believe that the risk is adequately compensated. We did not participate in Acorn Re, a California earthquake bond, due to the low yield.

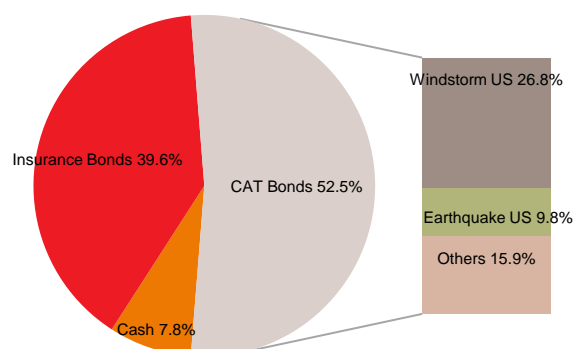
Life consolidator Rothesay came to market with two different rT1s. We participated in the 5% PerpNC 10 in GBP. Prudential plc called almost all grandfathered perps as expected - one of our largest convictions and positions - and the redemption will take place at the end of December. We also built up a small position in the 6% Esure (PerpNC5).

First review of the hurricane season

As explained in our webinars, the 2021 hurricane season was more loss-intensive than the previous year and also more active than average in terms of the number of storms or in terms of Accumulated Cyclone Energy. 2021 so far saw 20 named storms with 4 strong hurricanes of which only Ida made landfall and caused an insured loss of approximately USD 35 billion. It is interesting to note that due to its proximity to New Orleans, Ida caused greater damage than the totality of the previous year's storms Laura, Sally, Delta and Zeta, which also made landfall in Louisiana. At least two CAT bonds should suffer a total loss, this fund is not invested in the affected positions.

Outlook

We expect CAT bond premiums to rise by around 10% in 2022 - aggregate structures in particular should see even higher premium increases. We expect new insurance bond issues to flatten out by the end of the year and a further shift from large to medium-sized and smaller insurers. However, the total volume of new issues in 2021 will probably remain below the level of 2020.



Monthly Performance[†]

CHF	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020										-0.36%	1.45%	0.73%	1.82%
2021	0.30%	-0.06%	1.09%	0.82%	0.35%	0.51%	0.69%	0.53%	0.46%	0.10%			4.89%
USD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021							0.14%	0.61%	0.57%	0.16%			1.48%
EUR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020										-0.39%	1.48%	0.74%	1.83%
2021	0.34%	-0.05%	1.09%	0.86%	0.36%	0.52%	0.71%	0.56%	0.47%	0.14%			5.11%

Subportfolio CAT Bonds

CAT Bond Segment Portfolio Statistics(USD)

Portfolio Share	52.5%
Number of Positions	68
Average Position Size	0.77%
Number of Sponsors	40
Collateral Return	0.30%
No Loss Return	5.72%
Average Expected Loss	2.78%
Average Price	100.98
Average Time to Maturity	2.4
Modified Duration (Years)	-
VAR (99%)	32.98%
VAR (99.5%)	37.75%
TVAR (99%)	38.47%
TVAR (99.5%)	41.84%

Top 5 CAT Bond Positions

Name	% NAV	DM***	Peril
SANDERS RE II LTD 2021-1 A	2.49%	3.17%	US MP
IBRD CAR 130 (Jamaica NS)	2.25%	3.64%	CARIB TC
URSA RE II 2021-1 F	2.02%	5.42%	US EQ
CAPE LOOKOUT RE LTD 2021-1	1.99%	2.86%	C / US ST
NAKAMA RE LTD 2021-1 Class 2	1.97%	2.75%	JP EQ

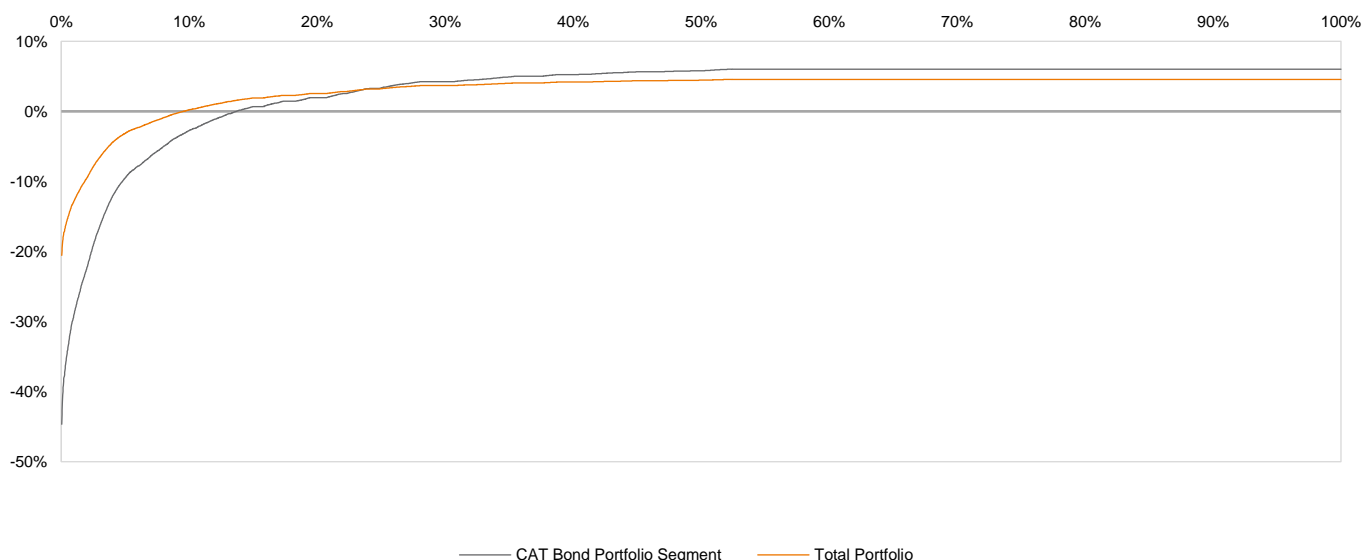
Portfolio Statistics[†]

Peril	Allocation [†]	EL Contrib.	# Bonds
Natural Cat. Exposure	100.0%	N/A	N/A
Meteorological Risk	71.5%	N/A	N/A
Windstorm Florida	26.4%	0.86%	42
Earthquake California	25.1%	0.50%	38
Windstorm Texas	25.6%	0.23%	39
Windstorm Southeast US	25.6%	0.17%	39
Windstorm Caribbean	12.2%	0.17%	23
Windstorm Northeast US	25.4%	0.13%	39
Windstorm Gulf of Mexico	25.8%	0.11%	40
Windstorm Mid Atlantic	25.8%	0.09%	40
Windstorm Europe	2.4%	0.08%	40
Earthquake Japan	2.0%	0.05%	1
Earthquake Mexico	0.7%	0.04%	2
Earthquake Pacific NW	18.5%	0.04%	33
Sonstige	N/A	0.22%	N/A
Total	N/A	2.78%	68

Historical Event Analysis (Portfolio Loss)*

Great Miami, 11 September 1926	25.2%
Great San Francisco, 18 April 1906	17.5%
Long Island Express, 10 September 1938	10.4%
Great Kanto, 01 September 1923	3.8%
Andrew, 16 August 1992	3.3%
Lothar, 26 December 1999	2.7%
New Madrid, 16 December 1811	1.6%

Aggregate Loss Exceedance Probability (AEP-Curve)*



* Source Plenum Investments, modelled in RMS Miu, excluding coupons; † does not sum to 100% because multiperil bonds are counted multiple times; *** above money market

Subportfolio Insurance Bonds

Insurance Bond Segment Portfolio Statistics (USD)

Portfolio Share	39.6%
Number of Positions	26
Average Position Size	1.5%
Number of Issuers	21
YteC*	3.5%
Average Price	105.90
Modified Duration (Years)	4.2
Coverage Ratio / MSCI ESG Rating	97% / AA

Allocation by Domicile

Benelux	6%
UK	41%
Germany	6%
France	15%
Italy	13%
Other	19%

Allocation by Type of Bond

Restricted Tier 1	46%
Tier 2	22%
Tier 3	0%
Tier 1 grandfathered	10%
Tier 2 grandfathered	5%
Other	17%

Top 5 Issuers

Name	% NAV	SCR**	Domicile
Prudential	3.46%	343%	Hong Kong
Lancashire	2.94%	220%	Bermuda
Unipol	2.83%	312%	Italy
Allianz	2.56%	207%	Germany
Scor	2.17%	220%	France

Allocation by Sub-Sector

Reinsurance	22%
Life	30%
Non-Life	12%
Composite	37%

Top 5 Insurance Bond Positions

Security	% NAV	Bond Rating	Duration	YteC*	Classification
LRELN 5 5/8 09/18/41	2.94%	BB+	7.3	4.5%	Other Capital
USIMIT 6 3/8 PERP	2.83%	B+	6.7	4.3%	Solvency II - T1
PRUFIN 4 3/8 PERP	2.47%	BBB+	0.2	1.8%	Solvency I - T1
SCOR 5 1/4 PERP	2.17%	A-	6.1	4.5%	Solvency II - T1
BRELN 3.6757 12/09/30	2.10%	NR	7.3	4.1%	Solvency I - T2

Performance

	EUR	CHF	USD
NAV	106.88	106.69	101.32
MTD	0.47%	0.46%	0.57%
YTD	4.96%	4.78%	N/A
Last 12 months			
Last 36 months			
Since Inception	6.88%	6.69%	N/A
Annual. since Inception			
Volatility (36M)			
Sharpe Ratio			
% Positive months	83.33%	83.33%	N/A
Best/Worst Month	1.48%/-0.39%	1.45%/-0.36%	N/A

Fund Terms

Performance Target	4-4.5% in EUR p.a.
Fund Domicile	Liechtenstein
Fund Structure	UCITS V
Distribution	AT/CH/DE/LI
Base Currency	USD
Assets in Strategy	USD 204.3 Mio.
Appropriation of Income	accumulating
Fund Inception Date	29 May 2020
Financial Year	31 December
Valuation frequency	Weekly
Order Cut-Off Subscriptions	3 Days prior to Valuation Day
Order Cut-Off Redemptions	10 Days prior to Valuation Day
NAV Publication	Weekly
Minimum Investment	20'000'000 (USD/EUR/CHF)
Management Fee	0.55%
Performance Fee	none
Risk Category***	3
TER (30.06.2021)	0.80%
Sustainability	FNG Lable (one star), Art. 9 (SFDR)

Identifiers

	EUR	CHF	USD
ISIN	LI0542471110	LI0542471128	LI0542471102
Bloomberg	PLEICPE	PLEICPC	PLICPUD
SIX	54247111	54247112	54247110
WKN	A2P48K	A2QJF2	A3CT7H

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