Plenum Europ. Insurance Bond Fund

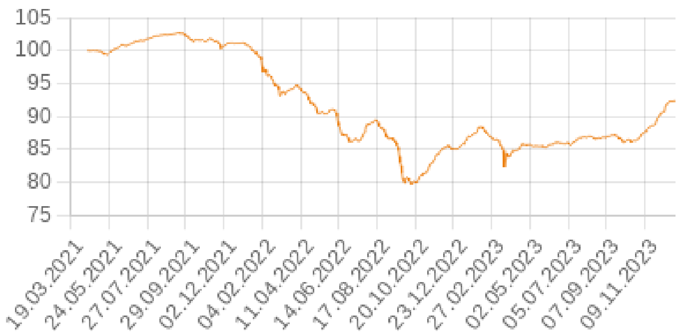
I-Share Class I Capitalization I EUR I LI1103026582

Benefit from sector-specific additional premiums, market inefficiencies in subordinated capital and from the market growth of rT 1 Kapital with «Deep DIVE». Value at Better Risk.

Investment Strategy

In order to reach the target return of Money Market + 3-4% p.a. we use the full breadth of bond types available to us. While doing so we make sure that the portfolio remains diversified across issuers, bond types, insurance segments and geographies.

Performance (Chart)



Portfolio Key Figures

Net Asset Value	EUR 52.8 Mio
Investment Degree	95.6%
Number of Positions	40
10 Largest Positions	42.2%
Average Position Size	2.4%
YteC (EUR)	6.32%
Yield to Worst (EUR)	5.64%
YteC without cash (EUR)	6.70%
Average Coupon	4.92%
Weighted Modified Duration (Years)	4.41
Average Bond Rating	BBB+/BBB

ESG-Profile

EU sustainability-related classification	Article 8
MSCI ESG Rating	A
ESG Coverage Ratio	98%

Statistic

NAV	92.44
MTD	3.14%
YTD	8.65%
Last 12 Months	8.65%
Last 36 Months	-7.56%
Total Return	-7.56%
Total Return annualized	-3.10%
Volatility (12M)	5.84%
Sharpe Ratio	(1.46)
% Positive Months	43.33%
Best Month	4.09%
Worst Month	-8.19%

Market Comment

In 2023 was a rollercoaster ride the market with a happy ending for the fund which generated a total return of 8.65% in the reference share class I EUR. The first quarter was fully under the impression of the collapse of Credit Suisse. As usual insurance paper underperformed in sympathy with bank paper contradicting fundamentals both on an insurance industry as well as on a single name level. In particular, insurance rT1 paper suffered after the write down of Credit Suisse AT1 paper, ignoring the much more investor friendly bond language of insurance rT1 compared to the Credit Suisse AT1. We started towards the end of Q323 to increase the duration of our portfolio close to the maximum of 4.5 years in anticipation of lower interest rates in 2024. The move enabled us to take advantage of the unprecedented market rally in the fourth quarter. New issue activity was lower than last year as we had expected. Total subordinated insurance supply amounted to EUR 17.9bn (FY22: EUR 19.9bn). Around 14% of the new issue volume was in a green format. rT1 supply remained scarce at only EUR0.6bn compared to EUR1.0bn in FY22 which contributed to the strong performance in Q423.

Performance (Table)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023	2.87%	-0.96%	-2.37%	1.28%	-0.25%	0.48%	1.20%	-0.06%	-0.22%	-0.10%	3.49%	3.14%	8.65%
2022	-2.07%	-4.44%	-0.17%	-2.75%	-1.02%	-5.28%	2.78%	-1.31%	-8.19%	1.01%	4.09%	0.78%	-15.94%
2021	-	-	-	-	-	-	1.95%	0.52%	-0.21%	-0.76%	-1.00%	0.74%	1.21%

In Focus

Supply Forecast 2024: We expect in our base case new institutional subordinated bond issues of European Insurers in 2024 to be at EUR15.7bn which is below the level of 2023. This base case is the midpoint of our forecasted range of EUR13.3-18.0bn of which we expect EUR4.2-5.0bn to be restricted T1 (rT1) paper and EUR1.7-2.7bn in a green bond format. For 2024, we estimate remaining refinancing needs of EUR11.5bn after some maturities and call dates were already refinanced in 2023. In addition, some insurers will refinance maturities and call dates in H125 already in 2024. This could add up to EUR7.5bn of supply in 2024. Our forecast implies that all traded institutional bonds will be called at the first call dates in line with industry practice. The number looks a bit low and counterintuitive considering that most bonds in the sector have a first call date after 10 years and the spike in new issuance in 2014. But we note that a number of bonds have been (partially) tendered in the last 10 years or have later call dates leading to more supply in 2025. The slightly subdued level of supply should continue to support the secondary market in 2024 and the bullish outlook for this segment which remains a unique opportunity for investors. The elephant in the room is, however, the volume of restricted Tier 1 (rT1) paper to be issued in 2024. RT1 issuances collapsed to a mere EUR0.6bn in 2023. However, in 2024 and 2025 we will see a number of call dates of grandfathered T1 bonds. We consider the end of the grandfathering period at YE25 an additional incentive to follow the industry practice and call these bonds at their first call dates in 2024-26. But not all of these grandfathered rT1 bonds will be refinanced by new Solvency II-compliant rT1 bonds. As some issuers have so far not shown any intention to issue rT1 bonds we estimate that at least EUR1.5bn of the grandfathered T1 bonds with call dates in 2024 and H125 will be replaced with T2 bonds.

Top 5 Positions

Security	% NAV	Rating	Duration	YteC*	Classification
4.625% ASR	4.56%	Baa2	3.3	8.0%	SII - T1
5.25% Scor	4.50%	BBB+	4.2	10.2%	SII - T1
5.75% Unipol	4.49%	BBB-	0.4	5.2%	SI - T1
4.875% Rothesay	4.36%	BBB-	3.2	11.3%	SII - T1
4.75% Direct Line	4.35%	Ba1	3.4	11.8%	SII - T1

Domiciles

Benelux	22%
UK	30%
Germany	7%
France	8%
Italy	11%
Other	23%

Classes

Restricted Tier 1	32%
Tier 2	46%
Tier 3	0%
Tier 1 grandfathered	5%
Tier 2 grandfathered	2%
Other	14%

Sectors

Reinsurance	16%
Life	26%
Non-Life	12%
Composite	46%

Top 5 Issuer

Name	% NAV	SCR**	Rating	Domicile
Unipol	5.60%	200%	BBB+	Italy
Generali	5.12%	221%	A+	Italy
Uniqa	4.85%	246%	A-	Austria
ASR	4.56%	222%	BBB+	Netherlands
Scor	4.50%	213%	A+	France

Basic Data

Performance Target	Money Market + 3-4%
Fund Domicile	Liechtenstein
Fund Structure	UCITS V
Distribution	AT/CH/DE/LI
Base Currency	EUR
Assets under Management	EUR 53 Mio.
Assets in Strategy	EUR 53 Mio.
Appropriation of Income	accumulating
Fund Inception Date	3/22/2021
Financial Year	31.12.
Bewertungsintervall	daily
Order Cut-Off (Subscriptions)	T-3 (16:00 MEZ)
Order Cut-Off (Redemptions)	T-5 (16:00 MEZ)
NAV Publication (T + 1)	daily
Settlement	T+3
Minimum first Investment	EUR 0.1mn
Management Fee	0.55%
Performance Fee	keine
TER (30.06.2023)	0.85%
ISIN	LI1103026582
WKN	A2QRGU
Valor	110302658
BB Ticker	PLEIBIE 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 risk/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.
- 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 respective sector, industry and company exposure.