

GAM Star Fund plc - GAM Star Cat Bond

Commentary August 2024

For professional intermediaries only

Monthly performance

August returns were strong due to the lack of any threatening or significant hurricanes or other catastrophes. The USD Institutional shares had a return of 166 basis points for the month.

Portfolio changes

There was minimal activity in the portfolio as is typical for the month of August.

Catastrophes

There were no significant catastrophes in August that had any impact on the portfolio.

Hurricane activity in the Atlantic basin for 2024 year-to-date has been benign, despite the pre-season forecasts which nearly unanimously called for an extremely active season. The most notable storm in the Atlantic basin was Hurricane Debby, which made landfall in Florida on 5 August 2024. It was a low Category 1 hurricane with estimated insured industry losses of circa USD 2 billion, which is generally a loss level far below what is required to impact catastrophe bonds.

Compared to the Atlantic basin, the Eastern and Western Pacific saw a lot more activity. The most notable storm in the Pacific was Typhoon Shanshan which made landfall on 29 August 2024 in the Kagoshima Prefecture as a Category 2-equivalent storm. Typhoon Shanshan is estimated to have caused up to USD 5 billion of insured industry losses, which should not cause any principal loss to Japan-exposed cat bonds.

Market conditions

As expected, there was no new issuance activity in the month. Liquidity in the secondary market remains strong as investors look to put cash from FX movements and coupon interest to work while few investors have been looking to sell.

Management team



FERMAT
CAPITAL MANAGEMENT

Fermat Capital Management, LLC

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GAM
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