

Solidum-Falcon Insurance Linked Strategy Fund I EUR

Investment Policy

The investment objective of the Solidum-Falcon Insurance Linked Strategy Fund mainly involves achieving a money market yield and an appropriate risk premium by investing in a portfolio of debt instruments linked with an insurance event ("Cat Bonds").

Facts & Figures

Inception	Sep-01-2010
Reference Currency	EUR
Domicile	LU
Legal Structure	SICAV
Registered for Sale	AT, CH, DE, DK, FI, UK, IT, LU, NL, SE
Singapore Restricted Scheme	Yes
Custodian Bank	Hauck & Aufhäuser Privatbankiers AG, Niederlassung Luxemburg
Fund Management Company	Falcon Fund Management (Luxembourg) S.A.
Investment Manager	Solidum Partners AG
Management Fee	0.90 %
Total Expense Ratio as per Dec-31-2018	1.33 %
Subscription Fee (Max.)	0.00 %
Redemption Fee (Max.)	0.00 %
Subscription Frequency	Weekly
Redemption Frequency	Weekly
Tax Status	DE: without partial exemption* / AT: tax transparent
Minimum Investment	1'000'000 EUR
Distribution Policy	Distributive
ISIN	LU0524670394
Valor (Switzerland)	11492530
WKN (Germany)	A1CU20
Bloomberg Ticker	FALILIE LX

Risk Level

1	2	3	4	5	6	7
Lower Risk				Higher Risk		
Potentially Lower Reward				Potentially Higher Reward		

Key Figures per Feb-29-2020

NAV per Unit	130.48 EUR
Fund Size	47.67 Mio USD
Last Dividend (Jun-18-2018)	2.00 EUR

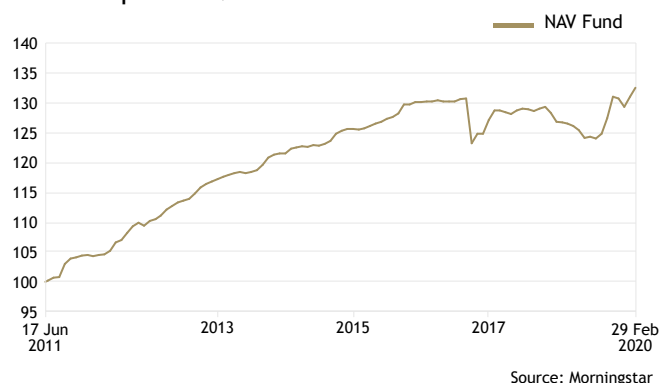
Rolling Performance

Year to Date	2.51 %
1 Month	1.19 %
3 Months	1.39 %
6 Months	6.23 %
1 Year	4.80 %
3 Years (Annual Avg.)	0.59 %
3 Years	1.77 %
5 Years (Annual Avg.)	1.59 %
5 Years	8.18 %
Since Inception	32.53 %

Manager's Comment

The Fund continued its excellent start into the new year. Several cat bonds had been presented to the primary market, and the pipeline looks promising as well. Q1/2020 will be most likely one of most active 3-month periods concerning new cat bond issues. The focus was on China and the spread of the new corona virus. Since Sars in 2002, the potential of a new outbreak of a pandemic in China has always been assigned by experts with a high probability. The speed of the global spread and the effects of the different containment methods will provide valuable information for the further development of pandemic models. In 2018, the market supported two cat bonds issues for the Worldbank, providing cover against a pandemic caused by flu or coronavirus (Class A) and contagious virus induced diseases (e.g. Ebola, Marburg but also corona, Class B). The triggers have been met and we expect a full loss on Class B and a partial impairment on Class A. The Fund is not invested in these two bonds and is only marginally invested in one cat bond that covers a sudden spike in hospitalisation costs in the US. The SARS-CoV-2 outbreak may serve as a testament to the low correlation of ILS investments to other markets and highlights the diversification strength of this asset class.

Performance per Feb-29-2020



Past performance is no guarantee for future performance.

Performance data is based on the net asset value assuming the reinvestment of earnings and takes into account all costs incurred at fund level (e.g. management fees). As the costs incurred at investor level may vary greatly from case to case, it is difficult to make generally valid statements. For example, model calculations for a EUR 1000.- investment with an upfront fee of 5%, would result in only EUR 950.- being invested in the fund. Upfront fees are only levied once per acquisition. Additional costs may be incurred at investor level (e.g. custodian charges).

Annual Performance since Inception Sep-01-2010

2019	1.97 %
2018	-0.28 %
2017	-2.26 %
2016	3.57 %
2015	3.36 %
Total Return since Inception	32.53 %
Monthly Average since Inception	0.29 %
Annual Average since Inception	3.43 %

*Investment fund without partial exemption

Performance and Risk Statistics 3 Years

Annual Volatility	4.58 %
Sharpe Ratio	0.24
Maximum Drawdown	-5.74 %
Positive vs. negative Months	16 : 20
Best Month % (Oct-31-2019)	2.82 %
Worst Month % (Sep-30-2017)	-5.74 %

Portfolio Characteristics

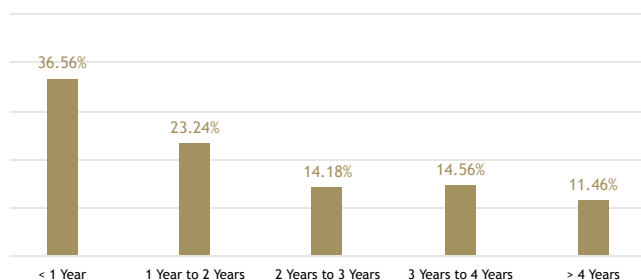
Number of Positions	67
Largest Position	6.86 %
Cash	5.73 %
Mod. Duration to Maturity	0.19
Estimated yield	6.09 %
Expected loss	1.92 %

NAV Allocation by Peril and Event

	PML	Total Exposure
Trop. Cyclone Southeast	16.74 %	45.17 %
Trop. Cyclone Japan	8.80 %	13.32 %
Trop. Cyclone Northeast	5.00 %	37.87 %
Earthquake Pacific SW	4.51 %	41.91 %
Energy and Marine Worldwide	3.77 %	3.77 %
Trop. Cyclone Gulf of Mex.	3.74 %	39.64 %
Winterstorm Central Europe	2.31 %	3.13 %
Wildfire California	1.78 %	23.28 %
Earthquake Western South America	0.96 %	3.20 %
Winterstorm Northern Europe	0.33 %	5.74 %

PML figures annualise positions expiring during the year. Risk control is based on actual portfolio including return.

Allocation by Bond Maturity



Impact of Historical Events

	EVENT	DETAILS	ESTIMATED INDUSTRY LOSS IN BN USD	ESTIMATED FUND LOSS
1812	New Madrid MO	MW 8.3 Eq.	146.00	9.25 %
1900	Galveston	Class 4 Hurr.	55.00	1.93 %
1906	San Francisco CA	MW 7.9 Eq.	84.00	16.65 %
1923	Great Kanto	MW 7.9 Eq.	49.00	2.57 %
1926	Miami FL	Class 5 Hurr.	139.00	17.09 %
1938	New England NY	Class 4 Hurr.	53.00	6.49 %
1959	Typhoon Vera	Class 4 Typh.	19.00	6.84 %
1994	Northridge CA	MW 7.9 Eq.	18.00	4.57 %
1999	Lothar	European WS.	17.00	2.06 %
2005	Katrina	Class 3 Hurr.	66.00	4.58 %

Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2020	1.30%	1.19%											
2019	-0.05%	-0.21%	-0.31%	-0.49%	-1.05%	0.12%	-0.24%	0.63%	2.09%	2.82%	-0.19%	-1.10%	1.97%
2018	1.23%	-0.01%	-0.24%	-0.19%	0.43%	0.22%	-0.08%	-0.23%	0.32%	0.25%	-0.74%	-1.21%	-0.28%
2017	0.06%	0.05%	0.12%	-0.12%	-0.05%	-0.01%	0.31%	0.08%	-5.74%	1.36%	-0.03%	1.88%	-2.26%
2016	-0.10%	0.15%	0.35%	0.32%	0.28%	0.32%	0.27%	0.51%	1.12%	0.01%	0.34%	-0.04%	3.57%
2015	0.61%	0.20%	0.14%	-0.10%	0.25%	-0.06%	0.26%	0.39%	0.95%	0.45%	0.23%	-0.02%	3.36%
2014	0.31%	0.26%	0.28%	0.14%	-0.17%	0.15%	0.28%	0.76%	0.95%	0.45%	0.16%	0.02%	3.65%
2013	0.25%	0.56%	0.92%	0.47%	0.56%	0.28%	0.26%	0.81%	0.85%	0.52%	0.30%	0.41%	6.37%
2012	0.13%	-0.21%	0.16%	0.09%	0.57%	1.32%	0.46%	1.06%	1.04%	0.57%	-0.45%	0.72%	5.58%
2011							0.42%	0.14%	2.21%	0.83%	0.17%	0.31%	

+ Opportunities

- Low correlation to traditional asset classes
- Low debt and interest rate risk
- Attractive risk compensation

- Risks

- The sub-fund is subject to the risks of the insured events, which are based on the probability of occurrence and the loss amount of the insured natural event. Extreme loss events may result in the loss of the invested capital
- Liquidity risk: investment are made in a narrow market segment. Under certain market conditions, it may be difficult to find a buyer in the short-term for these securities
- Counterparty risk: exists when a contractor becomes insolvent. The contractor can no longer or only partially settle outstanding debts to the fund

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