

Performance (SEK)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017				0.05%	-0.06%	0.20%	0.43%	0.56%	-5.53%	1.35%	-0.44%	0.04%	-3.52%
2018	0.90%	-1.28%	-0.47%	0.30%	-0.04%	0.35%	0.17%	0.26%	-0.04%	-0.58%	-1.84%	-1.04%	-3.30%
2019	1.20%	-0.44%											0.75%

SEF Entropics Cat Bond Fund

SEF Entropics Cat Bond Fund aims for good risk adjusted returns uncorrelated with traditional assets such as stocks and bonds. The fund invests in a globally diversified portfolio of reinsurance risks covering natural catastrophes with focus on hurricanes and earthquakes. The fund has a responsible and sustainable investment style.

Historical return is not a guarantee for future returns. The money you invest in the Fund can increase as well as decrease and you cannot be certain to have the full investment returned. This report is not a recommendation to invest in the fund. Prior to an investment, you should consult the fund's key investor documentation available at en.entropics.se and other relevant documentation.

Manager's Note

In February, the fund's return in SEK amounted to -0.48% (class A) and -0.44% (class I) respectively. During the month, coupons have contributed positively to the return with 0.55%, market values of positions have contributed with -0.69%, of which three portfolio positions have been affected by claims settlements referring to events in 2017 and 2018, with a total contribution of -0.59%. Currency hedging contributed -0.21%. Fund and administration fees amounted to -0.12% (class A) and -0.09% (class I) respectively.

On the primary market, the fund has assumed a position in a bond sponsored by North Carolina Insurance Underwriting Association (NCIUA) covering hurricane risk in North Carolina. It is the first bond sponsored by NCIUA since 2018 and it is also the first new issuance this year covering North American hurricane risk. The issuance volume increased from 250 million USD to 450 million USD. It is a positive indication that the bond was priced in the upper part of the indicative pricing guidance. In addition, the fund has bid for a position in a bond with two classes covering earthquake and wind risks in US, Canada, Puerto Rico, Virgin Islands and DC.

In the secondary market, we saw more than 60 positions traded, of which many were traded several times according to FINRA's Trade Reporting and Compliance Engine (TRACE).

Contribution to Expected Loss

Wind Exposure	
Europe	3.90%
Japan	2.40%
Mexico	4.66%
Florida	28.16%
US Southeast (excl. Florida)	11.61%
US Midwest	0.24%
US Northeast	12.58%
US Southwest	9.80%
US West	2.36%
Other	1.01%
Total	76.72%

Earthquake Exposure

Australia	0.54%
Canada	1.00%
Europe	0.77%
Japan	2.31%
California	14.46%
US West (excl. California)	1.49%
US Other	1.79%
Other	0.02%
Total	22.37%

Other Perils

California Wildfire	0.71%
US Other Wildfire	0.11%
Europe Inland Flood	0.09%
Total	0.91%

Historical Event Loss Analysis

1906 San Francisco CA	23.11%
1926 Great Miami	19.32%
1732 Montreal Region QC-Scenario...	17.89%
1700 Cascadia Subduction Zone...	9.92%
1812 New Madrid Seismic...	9.37%

Annualized Risk Characteristics

Portfolio Expected Loss	2.00%
VaR (90%)	4.15%
VaR (95%)	9.47%
VaR (99%)	33.37%
TVaR (99%)	38.22%

Portfolio Summary

Yield to Maturity	7.33%
NAV	94.00
YTD	0.75%
Last 3 months	-0.30%
Last 12 months	-2.19%
Since Inception	-6.00%
Volatility	
AUM (MSEK)	237
Cash Allocation	7.44%
Number of Cat Bond Positions	78
Solvency Capital Requirement	11.41%

Responsible Investment Key Indicators
Purposes (% of Cat Bond Exposure)

General Property	66.7%
Mutual Insurance	12.6%
Insurer of Last Resort	15.4%
Public Services	2.1%
Disaster Relief	3.2%

of which problematic purposes

2.1%

Problematic Entities (% of Cat Bond Exposure)

Sponsor	0.0%
SPV Domicile	0.0%
Collateral Currency	0.0%
Collateral Instrument	0.0%

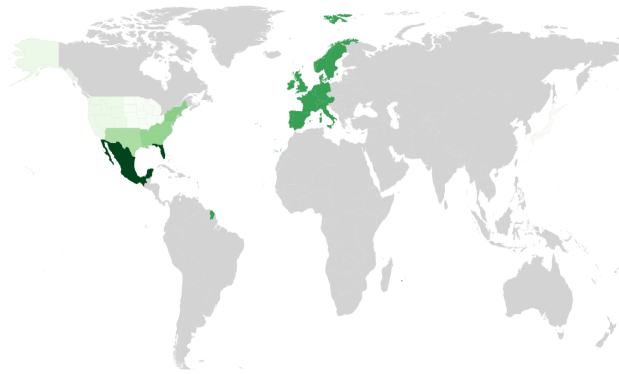
Maturity Profile

<= 6 Months	8.57%
6 Months – 1 Year	12.67%
1 – 2 Years	36.33%
2 – 3 Years	33.98%
> 3 Years	8.45%

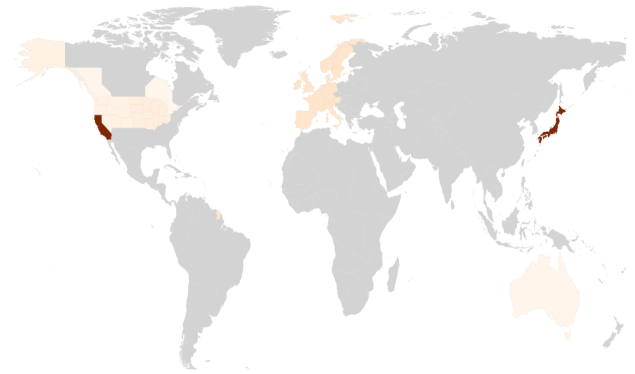
Share Class Information

Share Class	I
Currency Class	SEK
Base Currency	SEK
Inception	4/10/17
Fund Domicile	Luxembourg
Fund Structure	SICAV
Fund Regulation	UCITS
Liquidity	Fortnightly
Minimum Initial Investment	SEK 10,000,000
Minimum Subsequent Investment	SEK 5,000,000
Current Entry Charge	0%
Performance Fee	10%
Hurdle Rate	SSVX90, High Watermark
Management Fee	0.70%
ISIN Number	LU1138351504

Wind Risk Distribution Map



Earthquake Risk Distribution Map



Notes

Strategy and investment focus The investment strategy aims to deliver good risk-adjusted returns by investing responsibly in a globally diversified portfolio of cat bonds covering insurance losses from natural catastrophe risk.

The strategy is based on an underwriting analysis and is balanced, aiming both at minimizing the risk of large single event losses and avoiding to remote risks with small returns.

The investment focus is on wind and earthquake risks in developed regions, such as the United States, Japan and Europe, which are complemented by other natural catastrophe risks. The Fund does not invest in non-natural catastrophe risks, such as life insurance or man-made risks (e.g. terrorism). The only exception from this policy is when there is a small contribution from these perils to the Expected Loss of a multi-peril cat bond, where the main objective is to provide natural catastrophe insurance.

Performance is reported by Swedbank AB and reflects the Fund's Net Asset Value after fees.

Contribution to expected loss is calculated by portfolio modelling in AIR CATRADER, being the industry standard tool used by asset managers and re-insurers worldwide to model and analyse catastrophe bonds and other insurance linked securities.

"Other perils" includes perils other than wind and earthquake, e.g. wildfires and flooding. The portfolio can also include unmodelled risks, such as volcano eruptions and meteorite impacts, with extremely low and uncalculable frequency.

Historical event loss describes the loss as a percentage of the portfolio if these events were to occur today.

Yield to Maturity is calculated before applicable fees in the currencies of respective asset.

Solvency Capital Requirement, SCR (as a monetary amount) for this specific risk is calculated as a percentage of the Assets Under Management (AUM). In accordance with the Solvency 2 directive, a cat bond investment is considered as an insurance risk on the asset side.

A description of the **RI indicators** can be found at Entropics' web site:
<http://en.entropics.se/responsible-investments/description-of-key-indicators/>

Further information: The web site en.entropics.se provides additional information on the SEF Entropics Cat Bond Fund, including the Key Investor Information Document (KIID) and the Fund's prospectus.

Entropics Asset Management

Entropics Asset Management AB is the first Scandinavian asset manager specialised in Cat Bond investments.

The team has broad experience from asset management, underwriting, meteorology, underwriting, cat claims settlements and financial mathematics.

Entropics is licensed by and under the supervision of Finansinspektionen, the Swedish Financial Supervisory Authority.

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