

Performance (SEK)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015		-0.07%	0.05%	0.08%	-0.06%	-0.14%	0.20%	1.20%	1.13%	-5.84%	0.06%	0.10%	-3.42%
2016	-0.11%	3.22%	0.24%	0.31%	0.18%	0.41%	0.36%	0.91%	0.76%	0.07%	0.05%	-0.04%	6.50%
2017	0.05%	-0.09%	0.00%	0.03%	-0.09%	0.18%	0.40%	0.52%	-5.55%	1.32%	-0.47%	0.01%	-3.78%
2018	0.88%	-1.32%	-0.50%	0.29%	-0.07%	0.33%	0.14%	0.22%	-0.06%	-0.61%	-1.88%	-1.06%	-3.62%
2019	1.17%	-0.48%	-0.72%	-1.69%	-0.65%	0.21%							-2.15%

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

The North Atlantic Hurricane Season officially started on June 1st and will continue until November 30th. In the secondary market seasonal price increases started gradually in June and are expected to accelerate as the North American hurricane season moves ahead. The hurricane season officially ends on 30th November. The uncertainty regarding losses following the events in 2017/18 is now low.

During the month, coupons have contributed positively by some 0.60%. Mark-to-market values of bonds exposed the old losses from the historically costly years 2017-2018 have contributed some -0.50%, and the contribution from increasing secondary market prices was 0.35%. Currency hedging of SEK classes contributed -0.20%. The Yield-to-Maturity excludes bonds expected to pay out for loss events but still paying coupons.

During the month, three new bonds were settled in the primary market, with a total issuance volume of \$515 million. The bonds were well received by the market, and two of them increased in size from the original volume. The bonds were priced at the harder level that we have seen in the last months.

Secondary market activity was initially high but declined somewhat towards the end of June. During the period, more than 60 bonds were traded, several of which were traded multiple times. Despite a certain price increase as some bonds were traded at a higher price than in the previous month, it was still a buyer's market with high risk premiums.

Contribution to Expected Loss

Wind Exposure	
Europe	4.91%
Japan	2.82%
Mexico	6.23%
Florida	28.84%
US Southeast (excl. Florida)	12.55%
US Midwest	0.23%
US Northeast	12.57%
US Southwest	8.75%
US West	2.00%
Other	0.57%
Total	79.47%

Earthquake Exposure

Australia	0.54%
Canada	0.91%
Europe	1.05%
Japan	2.43%
California	11.54%
US West (excl. California)	1.50%
US Other	1.39%
Other	0.03%
Total	19.38%

Other Perils

California Wildfire	0.97%
Europe Inland Flood	0.18%
Total	1.15%

Historical Event Loss Analysis

1732 Montreal Region QC-Scenario...	22.61%
1906 San Francisco CA	21.97%
1926 Great Miami	21.20%
1812 New Madrid Seismic...	12.77%
1700 Cascadia Subduction Zone...	12.39%

Annualized Risk Characteristics

Portfolio Expected Loss	1.97%
VaR (90%)	4.02%
VaR (95%)	9.69%
VaR (99%)	35.92%
TVaR (99%)	41.56%

Portfolio Summary

Yield to Maturity	7.84%
NAV	93.34
YTD	-2.15%
Last 3 months	-2.12%
Last 12 months	-5.30%
Since Inception	-6.66%
Volatility	3.92%
AUM (MSEK)	178
Cash Allocation	7.73%
Number of Cat Bond Positions	70
Solvency Capital Requirement	13.22%

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

General Property	69.8%
Mutual Insurance	11.1%
Insurer of Last Resort	13.5%
Public Services	1.4%
Disaster Relief	4.2%

of which problematic purposes

2.8%

Problematic Entities (% of Cat Bond Exposure)

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

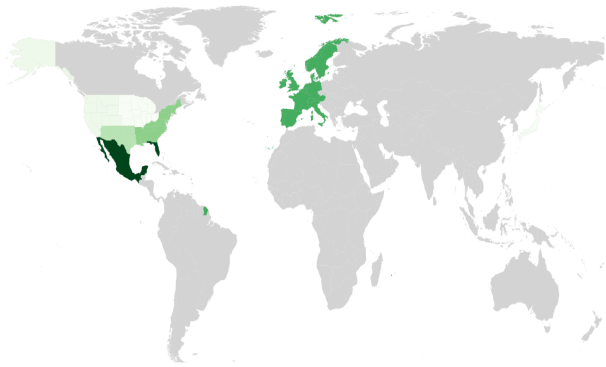
Maturity Profile

<= 6 Months	11.73%
6 Months – 1 Year	27.64%
1 – 2 Years	33.63%
2 – 3 Years	25.53%
> 3 Years	1.47%

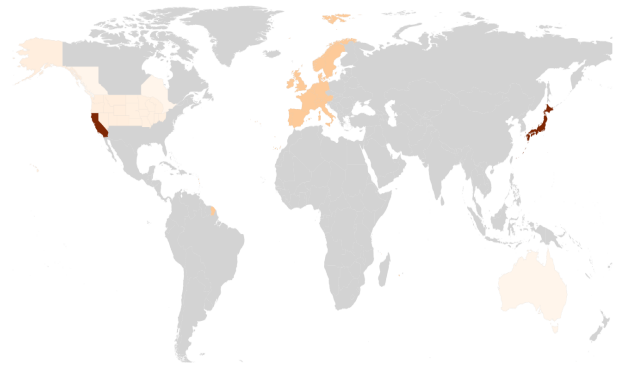
Share Class Information

Share Class	A
Currency Class	SEK
Base Currency	SEK
Inception	2/16/15
Fund Domicile	Luxembourg
Fund Structure	SICAV
Fund Regulation	UCITS
Liquidity	Fortnightly
Minimum Initial Investment	SEK 90,000
Minimum Subsequent Investment	SEK 1,000
Current Entry Charge	0%
Performance fee	10%
Hurdle Rate	SSVX90, High Watermark
Management Fee	1.00%
ISIN Number	LU1138350522

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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