

Twelve-Falcon Insurance Opportunities Fund I EUR

Investment Policy

The Twelve-Falcon Insurance Opportunities Fund invests in CAT bonds, which are issued to offer protection to the sponsor in case of an insured catastrophic event. The Fund invests opportunistically, which means with no allocation restrictions to risk perils. Hence, it is more flexible in selecting its investments that leads to enhanced return expectations.

Facts & Figures

Inception	Aug-01-2013
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	Twelve Capital AG
Management Fee	1.00 %
Total Expense Ratio as per Jun-30-2018	1.35 %
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	LU0961411815
Valor (Switzerland)	22104400
WKN (Germany)	A1W706
Bloomberg Ticker	FFSIOIE LX

Risk Level

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

Key Figures per Oct-31-2018

NAV per Unit	115.72 EUR
Fund Size	89.38 Mio USD
Last Dividend (Jun-18-2018)	2.00 EUR

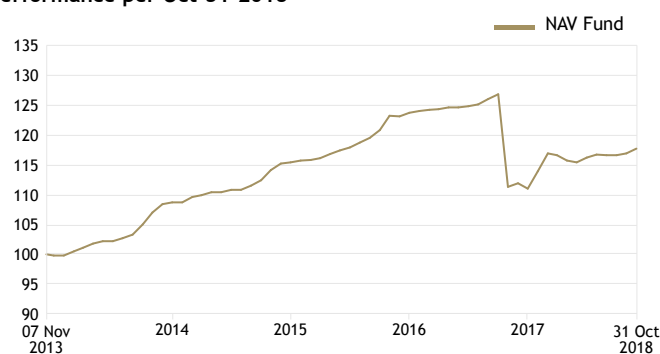
Rolling Performance

Year to Date	3.36 %
1 Month	0.70 %
3 Months	0.97 %
6 Months	1.98 %
1 Year	5.21 %
3 Years (Annual Avg.)	0.73 %
3 Years	2.19 %
Since Inception	17.74 %

Manager's Comment

During the month, a second major Atlantic hurricane ('Michael') made landfall as a strong category 4 in the Florida panhandle. Damage was mainly from wind and storm surge. Fortunately, the low population density near the hurricane's central path reduced the economic impact. The latest consensus estimates insured industry losses at between USD 5 and USD 15 bn with little impact expected on the Cat Bond market and, at this point, in the Fund's positions. In the Pacific, Hurricane Willa made landfall in Mexico. The only Cat Bond potentially exposed to this, the IBRD Fonden C, did not end up being affected by this event. Meanwhile, there was little activity in the primary market, and this is likely to continue until the end of the hurricane season. The secondary market showed healthy two-way flows with peak as well as diversifying risks traded. The Fund remains well-positioned with some cash available in the event of attractive secondary market opportunities. The Atlantic hurricane season 2018 has brought two major hurricanes to date, Florence and Michael. Both made landfall in the US, however, current estimates have not reached the critical insured loss levels to necessarily be of relevance to Cat Bonds. The Atlantic hurricane season should conclude in a few weeks and primary market activity pick up, offering new opportunities for the Fund.

Performance per Oct-31-2018



Source: Morningstar

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 Aug-01-2013

2017	-8.16 %
2016	7.16 %
2015	6.47 %
2014	8.94 %
Total Return since Inception	17.74 %
Monthly Average since Inception	0.28 %
Annual Average since Inception	3.38 %

*Investment fund without partial exemption

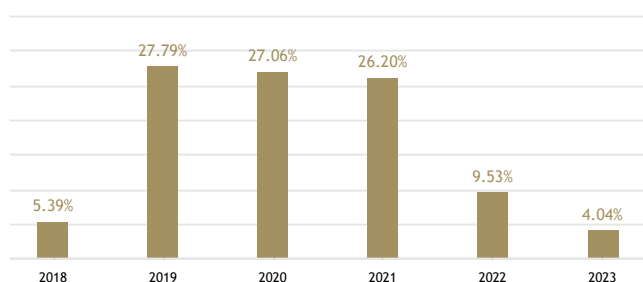
Performance and Risk Statistics 3 Years

Annual Volatility	7.75 %
Sharpe Ratio	0.18
Maximum Drawdown	-12.53 %
Positive vs. negative Months	28 : 8
Best Month % (Dec-31-2017)	2.67 %
Worst Month % (Sep-30-2017)	-12.25 %

NAV Allocation by Peril and Event

	1st EVENT	2nd EVENT
Trop. Cyclone Southeast	78.30 %	2.64 %
Trop. Cyclone Gulf of Mex.	72.68 %	2.64 %
Earthquake Pacific SW	71.51 %	2.64 %
Trop. Cyclone Northeast	68.67 %	2.64 %
Trop. Cyclone New Madrid	65.57 %	2.64 %
Earthquake Midwest USA	64.18 %	2.64 %
Earthquake New Madrid	64.18 %	2.64 %
Earthquake Pacific NW	64.18 %	2.64 %
Earthquake Gulf of Mex.	63.63 %	2.64 %
Earthquake Northeast	63.24 %	2.64 %
Trop. Cyclone Midwest USA	59.14 %	2.64 %
Total	735.28 %	29.04 %

Allocation by Bond Maturity



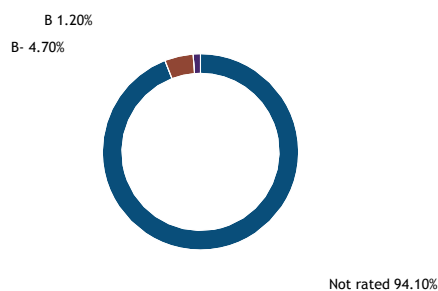
Impact of Historical Events

	LOCATION	EVENT	ESTIMATED INDUSTRY LOSS IN BN USD	ESTIMATED FUND LOSS
1906	San Francisco CA	MW 7.9 Eq.	98.00	53.06 %
1938	New England NY	Class 4 Hurr.	44.00	10.60 %
1900	Galveston	Class 4 Hurr.	54.00	6.22 %
1812	New Madrid MO	MW 8.3 Eq.	151.00	31.67 %
1994	Northridge CA	MW 7.9 Eq.	18.00	6.19 %
1926	Miami FL	Class 5 Hurr.	91.00	43.79 %
1999	Lothar	European WS.	17.00	0.00 %
2005	Katrina	Class 3 Hurr.	70.00	12.04 %

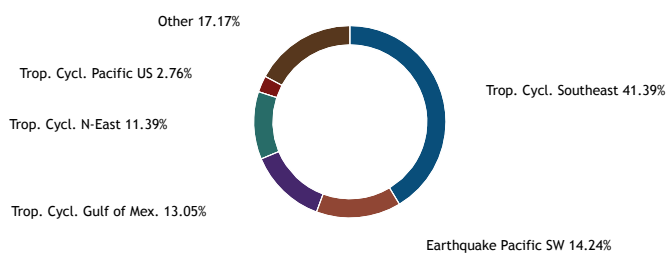
Portfolio Characteristics

Number of Positions	89
Largest Position	3.34 %
Average Duration	0.12
Mod. Duration to Maturity	0.11
Current Yield	- %
Expected Loss	3.34 %
Cash	7.36 %
95% VaR (AIR)	14.01 %
99% VaR (AIR)	59.48 %

Allocation by Rating



Expected Loss Contribution by Peril



*This document is intended for marketing purposes.

Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2018	2.62%	-0.22%	-0.78%	-0.23%	0.64%	0.40%	-0.04%	-0.02%	0.28%	0.70%			
2017	0.13%	0.13%	0.20%	0.01%	0.11%	0.30%	0.71%	0.66%	-12.25%	0.55%	-0.86%	2.67%	-8.16%
2016	0.01%	0.34%	0.60%	0.50%	0.43%	0.63%	0.72%	1.08%	1.99%	-0.06%	0.49%	0.24%	7.16%
2015	0.79%	0.30%	0.43%	0.01%	0.38%	0.04%	0.63%	0.74%	1.57%	0.96%	0.19%	0.27%	6.47%
2014		0.60%	0.62%	0.46%	0.00%	0.49%	0.60%	1.62%	1.89%	1.34%	0.24%	0.03%	

+ 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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