



10 Years of Passion for Insurance Investing

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## Twelve Capital takes its ILS strategy to the next level with a clear focus on Cat Bonds and peak perils in Private ILS

Since its inception in 2010, Twelve Capital has focused on investment solutions covering the entire balance sheet of the insurance sector. A core area has been Insurance-Linked Securities (ILS), which is seen as an asset class experiencing strong growth and good performance for example, in Catastrophe Bonds (Cat Bonds) together with satisfactory performance in Private ILS (PILS). These asset classes have shown minimal correlation to other investment classes and provide suitable additions to portfolios.

Twelve Capital has fundamentally reassessed and further developed its ILS strategy by reviewing its product offering. The Group is one of the market leaders for Cat Bonds, with a UCITS fund exceeding USD 600m and also providing bespoke mandates for large institutional investors. Twelve Capital expects further strong growth in the Cat Bond sector as the asset class delivered good performance over recent years, albeit a period with substantial natural catastrophe losses to the (re)-insurance industry and additionally claims in relation to COVID-19 and business interruption.

In Private ILS, Twelve Capital sees little additional value to continue further diversification within PILS and therefore, it will concentrate on peak perils in PILS, such as US hurricanes and California earthquakes. Twelve Capital believes that peak perils offer improved risk adjusted returns within ILS and are better modelled and understood than other risks in the industry. Currently, significant premium increases are being experienced within the sector and Twelve Capital offers attractive solutions to provide its clients access to these attractive risk adjusted returns.

Twelve Capital will further invest in its analytics capabilities, particularly in improved understanding of the impact of climate change on the development of tropical cyclones. The latter, besides significant internal resources, in close collaboration with reask (<https://reask.earth/>), a Sydney-based company specialising in NatCat modelling, risk analysis, machine learning and high performance computing. Based on their extensive expertise and substantial experience, Twelve Capital and reask believe that developments in technology and computing power continue to materially enhance ILS investment processes.

Twelve Capital also offers innovative solutions to mitigate the tail risk of peak peril portfolios in combination with a multi asset class approach.

Urs Ramseier, CEO and CIO commented: "With Twelve Capital's revised ILS strategy, the Group aims to further enhance its position as a one-stop resource for insurance investment solutions for institutional clients. This reflects the firm's aim to provide cutting edge investment solutions for the entire insurance balance sheet and is expected to further strengthen Twelve Capital's position as a global market leader in ILS, particularly in Cat Bonds with a strong focus on ESG".

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### About Twelve Capital Group

Twelve Capital is an independent investment manager specialising in insurance investments for institutional clients. Its investment expertise covers the entire balance sheet, including Insurance Bonds, Insurance Private Debt, Catastrophe Bonds, Private Insurance-Linked Securities and Insurance Equity. It also composes portfolios of its Best Ideas. It was founded in October 2010 and is majority-owned by its employees. It has offices in Zurich and London.

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