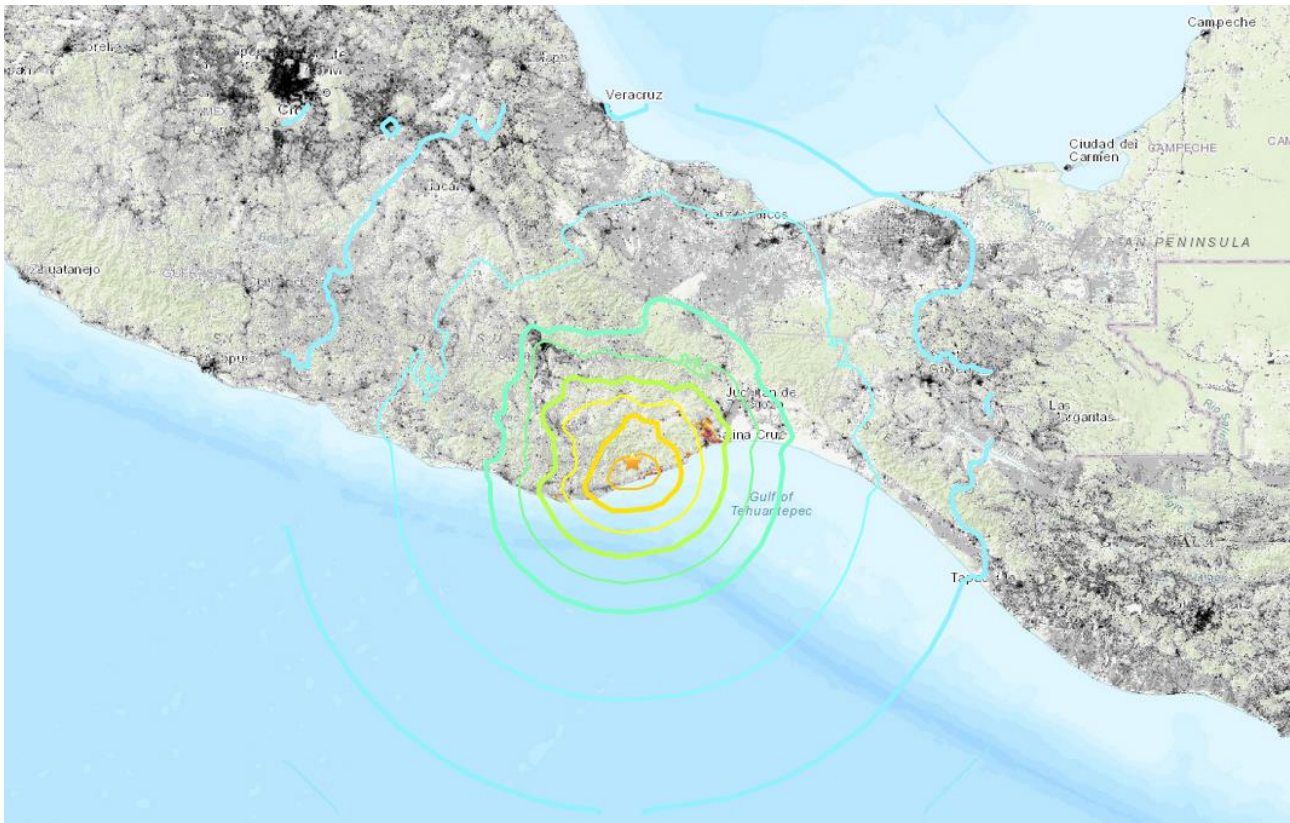


24 June 2020

## Twelve Capital Event Update – Mexico Earthquake

Yesterday evening, an earthquake with a magnitude of 7.4 struck Southern Mexico near the Pacific Coastline, in an area that is known to be seismologically active. The area is thinly populated, however the earthquake is reported to have caused some damage to buildings and infrastructure.

Figure 1: Earthquake epicentre and shaking intensity (Source: USGS. As at 24 June 2020)



Within the Cat Bond market, two “Fonden” transactions sponsored by the IBRD are exposed to earthquake risk in Mexico. These transactions feature a parametric trigger requiring certain earthquake magnitudes within pre-defined GPS locations. With a magnitude of 7.4, yesterday’s earthquake does not meet the required parameters to trigger these bonds and hence Twelve Capital does not expect any impact on Cat Bond portfolios at this point.

Twelve Capital continues to monitor the event closely and will provide updates should the situation change.

Please feel free to contact us with any questions.

With compliments,

Twelve Capital Team

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#### **About Twelve Capital**

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. Its capital solutions are drawing the world of insurance and reinsurance into a closer, more productive relationship with capital markets. It was founded in October 2010 and is majority-owned by its employees. It has offices in Zurich and London.

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