

08.09.2021

Event Report



CSA Insurance Linked Strategies CSA Insurance Linked Strategies Fixed

Update on Hurricane Ida – August 2021

Dear Investor,

We would like to provide an update on the development of Hurricane Ida and an impact assessment on the portfolio from this event.

Six days after Hurricane Ida had made landfall in Louisiana, the storm has ended its track over mainland U.S. while following a northeastern direction and eventually dissipating off the Canadian Atlantic coast. After its landfall and ensuing destruction in Louisiana, the hurricane's remnants continued to bring severe weather conditions, including heavy rainfall and tornadoes along its path towards the Atlantic coast.

Damage assessment around the area where the storm made landfall shows extensive property damage with severe destruction to buildings and infrastructure. Although some areas were flooded, the primary driver of damage can be attributed to the hurricane-force winds that sustained after landfall as the storm maintained a severe hurricane category four hours after landfall. The expected storm surge from Ida did not equal the experienced surge after Hurricane Katrina, which struck the area in 2005. Although some levees were breached in several municipalities, the New Orleans fortified flood protection system that was constructed after Katrina, helped save the city from flooding with the levees and floodgates remaining operational.

Further inland along its track, the storm caused property damage from high wind-force and tornado outbreaks, which are typical to tropical storms moving inland, with the most destructive occurring in New Jersey and Pennsylvania. The tornadoes caused property damage to houses and business, some being entirely destroyed.

The remnants of the storm continued with an influx of tropical moisture causing historic levels of rainfall across a widespread area in the U.S. Northeast. The heavy rainfall affected in particular New York City, inundating parts of its subway system and further affected

New England, exacerbated by an already saturated soil from earlier storms in the area and resulting in surging rivers, flooded homes and roads while urban drainage systems were being overwhelmed.

In summary, insurance losses from Hurricane Ida are driven by the widespread destruction from excessive wind-force after landfall along the Gulf coast as well as from tornadoes further inland up to New England. Flood damage has been most prominent in the Northeast from historical levels of precipitation. The insurance losses from flood damage are generally not covered under private property insurance policies, although the ILS market has some exposure through several Cat Bonds issued by the public sponsored National Flood Insurance Program (NFIP).

At the time of writing, based on the damage assessment and insurance loss estimates from the hurricane landfall in Louisiana, we expect an impact of -0.11% on the portfolio, which will be reflective in the August performance numbers in the Weekly Estimated Performance Update published today. Selective underwriting and increased retention levels have mitigated part of the impact of this event on the portfolio.

These estimates are reflective of an estimated USD 24 billion industry loss, including an estimated USD 4 billion to be covered by the NFIP. These estimates do not cover the severe flooding in the U.S. Northeast, which occurred in September and will be reflective in the September performance. However, at the time of writing, we do not expect an impact on the portfolio from these losses.

Further, these estimates are based on the information available at the time of writing this report and are subject to a considerable amount of uncertainty. A main driver for uncertainty is related to industrial losses and business interruption as a result of flooding, wind damage and loss of power. Louisiana is home to many oil and gas related industrial facilities such as storage, pipelines, petro chemical plants and refineries. Some of those have restarted production but others are still without power or have not yet restarted operations.

As damage assessment is progressing, we will continue to evaluate any potential changes in insurance losses and impact on the portfolio and will keep you up to date on any significant changes. In the meantime, please do not hesitate to contact us if you have any questions.

Hurricane Ida has been the ninth named storm, fourth hurricane and second major hurricane of the 2021 Atlantic hurricane season. The latest National Oceanic and Atmospheric Administration (NOAA) outlook report from August, predicts a number of 15 to 21 named storms, including 7 to 10 hurricanes, of which 3 to 5 could become major hurricanes (category 3, 4, or 5).

Kind regards,

Credit Suisse Insurance Linked Strategies Ltd

Sources: Credit Suisse, NOAA, AIR



Important Information:

Estimates, historical performance indications and financial market scenarios are not reliable indicators of current or future performance. The estimated figures herein are based on unaudited, internally prepared assessments of the performance of the Fund's portfolio by the investment manager and have not been independently verified pursuant to the independent price verification process described in the Fund's offering document. There is no certainty that the estimated figures will be reached. These estimates may deviate from the final NAV calculation prepared by the administrator of the Fund. Credit Suisse Insurance Linked Strategies Ltd is under no obligation to update the estimated figures.

Investors should rely on the official valuation statements from the fund administrator or their custodian to assess the performance of their own investment in the Fund or contact their Relationship Manager for details.

This material has been prepared by Credit Suisse Insurance Linked Strategies Ltd ("Credit Suisse") on the basis of publicly available information, internally developed data and other third party sources believed to be reliable. Credit Suisse has not sought to independently verify information obtained from public and third party sources and makes no representations or warranties as to accuracy, completeness or reliability of such information. All opinions and views constitute judgments as of the date of writing without regard to the date on which the reader may receive or access the information, and are subject to change at any time without notice and with no obligation to update. This material should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or investment products or to adopt any investment strategy. This informational report does not constitute research and may not be used or relied upon in connection with any offer or sale of a security or hedge fund or fund of hedge funds. The information is confidential and may not be distributed to others without the prior written consent of Credit Suisse. To the extent that these materials contain statements about the future, such statements are forward looking and subject to a number of risks and uncertainties.

This message may contain confidential, proprietary or legally privileged information and is intended only for the use of the addressee named above. No confidentiality or privilege is waived or lost by any mistransmission. If you are not the intended recipient of this message, you are hereby notified that you must not use, disseminate, copy it in any form or take any action in reliance on it. If you have received this message in error, please delete it and any copies of it and notify the sender immediately.