

Monthly Commentary April 2019

Insurance Linked Strategies

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CSA Insurance Linked Strategies*

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April did not experience major catastrophic events that might have affected the industry. However, a series of wind and thunderstorm related events in the US have been reported. Throughout the month, several low pressure systems swept across the central and southern US and brought flooding, severe thunderstorms, tornadoes, hail and winds to more than a half a dozen states. Powerful tornadoes snapped trees, caused power outages and property damage with some deaths being reported. Insured losses from these localized events are expected to remain limited and we do not expect an impact on fund performance. As always, we will keep investors updated in case of significant changes.

While there were no catastrophe events in 2019 which have meaningfully affected the fund performance so far this year, loss development stemming from events in 2018 has affected the fund performance to a smaller extent in the first quarter of 2019 and to a larger extent in April. The April 2019 performance estimate includes negative loss development related to the 2018 catastrophe events in the US and to hurricane Michael in particular. For the most current performance estimates, please refer to the Weekly Estimated Performance Update accompanying this commentary.

During April, the team remained focussed on the Japanese renewal. As indicated in the March commentary, the pricing was largely higher for atmospheric related risks compared to the 2018 renewal, driven by large catastrophe losses in Japan relating to typhoon Jebi and a number of other events throughout the 2018 Pacific typhoon season. Earthquake exposed contracts remained largely unaffected by the large rate increases and renewed flat to slightly positive. We were able to increase participation on several key programs while also investing in a number of smaller sized private transactions that fit well into the portfolio.

Looking ahead to the next month, the team will be thoroughly analysing and evaluating the new cat bond issuances. The team will also actively work on the upcoming US renewals for transactions incepting in June and plan the Australia focused renewal for transactions incepting in July.

* based on underlying CS IRIS C Fund Limited

Historical performance indications and financial market scenarios are no reliable indicators of future performance.

The performance data do not take into account the commissions and costs incurred on the issue and redemption of fund units.

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