Parametric Insurance from an Investor's Point of View

December 2024

By Dr. Rom Aviv
Senior ILS Adviser, Twelve Capital

EXECUTIVE SUMMARY

Parametric insurance is emerging as a transformative risk transfer solution, addressing coverage gaps and inefficiencies inherent in traditional indemnity-based insurance.

For investors, this niche within the insurance-linked securities (ILS) market offers an attractive opportunity to diversify portfolios, access attractive uncorrelated returns, and align with the growing focus on climate resilience and technological innovation.

This resource, developed by Twelve Capital, a leading investment manager specialising in insurance-linked securities, delves into the mechanisms, applications and benefits of parametric insurance from an investor's perspective.

This paper demonstrates how parametric insurance can enhance resilience and unlock unique investment opportunities through structured, data-driven instruments.

> *Parametric insurance offers an attractive opportunity to diversify portfolios, access attractive uncorrelated returns, and align with the growing focus on climate resilience and technological innovation*

INTRODUCTION

The global insurance market presents significant opportunities for growth and innovation, driven by the increasing focus on addressing climate-related events and enhancing efficiencies in claims management.

Parametric insurance, which triggers payouts based on predefined parameters (e.g., weather thresholds, earthquake magnitudes), offers a streamlined and transparent alternative to indemnity-based insurance.

From an investor's perspective, parametric structures offer a compelling combination of objective, data-driven risk assessment, technological scalability, minimised uncertainty in claims management and losses, reduced trapped capital risks, attractive return potential, diversification benefits, and opportunities for social impact.

These attributes position parametric solutions as a valuable and innovative addition to modern investment strategies.

THE EVOLVING INSURANCE MARKET

Over the past 25 years, the ILS market has largely been dominated by indemnity-based transactions. The dominance of the indemnity business can be traced back to the original purpose of the ILS market: to replace scarce risk capacity and provide much-needed protection to hedgers, primarily insurers, seeking capital. Indemnity transactions, while essential, require expertise to assess the impact of hazards on insured assets, creating information asymmetries between the insurer and the insured.

In contrast, parametric insurance provides a level playing field with symmetric information between the risk-bearer and the protection buyer, making it easier to understand and manage. Despite these advantages, parametric insurance has remained a niche within the ILS segment, with much of its activity limited to catastrophe bonds led by development banks or small private transactions. However, shifting market dynamics, technological advancements, and a growing recognition of its benefits are transforming this landscape. With increased scalability and more ILS-compatible structures, parametric insurance is now positioned to offer accessible and attractive investment opportunities for capital providers.

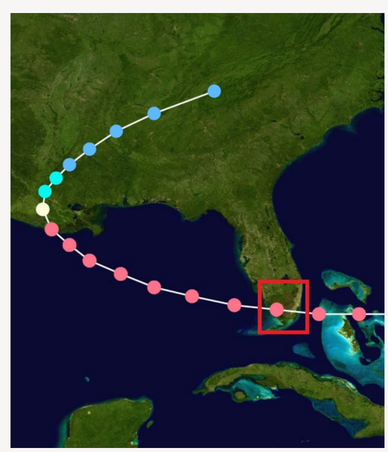
HOW PARAMETRIC INSURANCE WORKS

Parametric insurance is a data-driven and efficient form of risk transfer that streamlines the claims process by providing rapid payouts based on predefined, objective, and verifiable triggers. Unlike traditional indemnity-based insurance, which reimburses actual losses, parametric insurance pays a fixed amount when specific conditions are met, such as the occurrence of a natural catastrophe. For instance, a parametric hurricane policy might trigger a payout if wind speeds at a specified location exceed a predetermined threshold.

Key components of a parametric insurance structure include:

- Covered Area: A clearly defined geographic scope, often represented by a set of specific polygons or circles.
- Covered Event: A specified natural hazard, such as a hurricane or earthquake, that triggers the policy.
- Payout Structure: A prearranged mechanism detailing the level of loss to investors, often tiered based on the severity of the event (e.g., 50% payout for a Category 3 hurricane, 75% for Category 4, and 100% for Category 5).
- Transaction Tenor: The duration of the risk period covered by the transaction.
- Covered Amount: The total size of the transaction, defining the potential exposure.

HURRICANE ANDREW 1992



Hurricane strength ■ Category 4 (130-156mph, 209-251 km/h) ■ Category 5

Category	0	1	2	3	4	5
Payout Factor	0%	0%	0%	30%	80%	100%

Source: Twelve Capital

As an investment, parametric insurance offers a simpler and more transparent structure compared to traditional indemnity insurance. Claims depend solely on external, objective triggers rather than complex assessment processes, making it an attractive option for investors seeking clarity and efficiency in risk transfer.

The differences in the fundamental structure of parametric insurance and indemnity insurance lead to significant distinctions in two critical areas: claim management and speed of claim payment.

Claim Management and Loss Adjustments: Parametric insurance simplifies claim management by removing the need for loss adjustments, as payouts are based solely on predefined, objective triggers such as weather data or seismic activity. This eliminates on-site inspections and damage assessments. In contrast, indemnity insurance involves a detailed and often complex process, requiring documentation, loss adjustments, and negotiations to verify actual damages, which can lead to potential delays and disputes.

Speed of Payments: Parametric insurance offers rapid payouts, typically within days or even hours after the triggering event, as it bypasses the need for loss verification. This provides immediate liquidity for policyholders to address recovery needs. Indemnity insurance, however, is much slower, with payments often taking weeks, months, or even years due to the extensive claims process, which includes assessments, documentation reviews, and possible disputes before finalising the payout.

Parametric insurance is addressing a critical need for hedgers by providing fast, transparent, and reliable coverage, complementing traditional indemnity insurance as an additional tool in risk management.

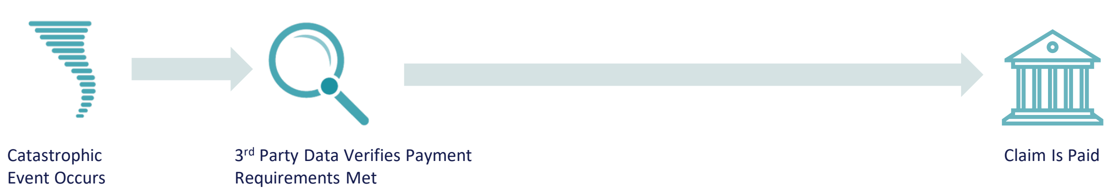
It ensures certainty in situations where timely payouts are essential, such as natural disasters or adverse weather events in industries like agriculture, hospitality, real estate, and government sectors.

With predetermined payout triggers based on measurable parameters—such as wind speed or rainfall levels—parametric solutions eliminate the lengthy claims process, providing swift financial relief when it's most needed.

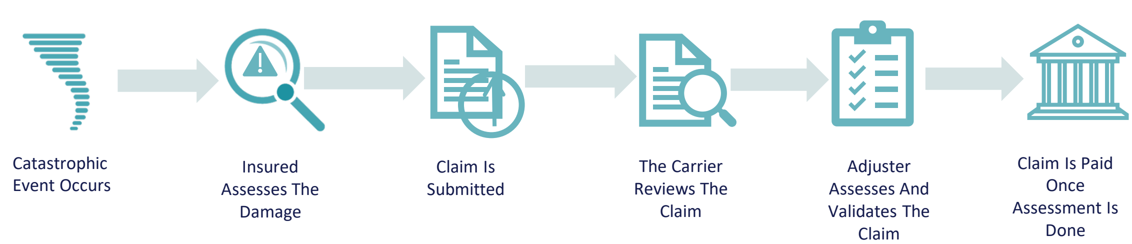
While basis risk—where the trigger might not accurately align with actual losses—remains a factor, advances in data collection and risk modelling have significantly mitigated this concern, making parametric insurance an increasingly attractive and effective solution for risk management.

> *Parametric insurance is addressing a critical need for hedgers by providing fast, transparent, and reliable coverage, complementing traditional indemnity insurance as an additional tool in risk management.*

PARAMETRIC INSURANCE



TRADITIONAL INDEMNITY BASED INSURANCE



Source: Twelve Capital

WHAT INDUSTRIES USE PARAMETRIC INSURANCE?

Parametric insurance is utilised across a variety of industries due to its ability to provide quick payouts based on predefined events.

Agriculture: Agricultural businesses face significant risks from adverse weather conditions, which can lead to crop losses and financial instability. Parametric insurance provides financial protection against these risks, enabling farmers and agribusinesses to continue operations despite adverse conditions.

Renewable Energy: The energy sector is highly susceptible to weather-related risks, such as wind speed variations affecting wind farms. Parametric insurance helps energy companies manage the financial impact of fluctuating energy production, providing stability and predictability.

Construction: Construction companies use parametric insurance to mitigate risks from natural disasters like hurricanes and earthquakes, which can delay projects and increase costs. Parametric insurance offers rapid payouts based on the occurrence of these events, helping construction companies manage financial risks and keep projects on track

Tourism and Hospitality: The tourism industry is vulnerable to adverse weather conditions, which can disrupt operations and reduce revenue. Parametric insurance mitigates the impact of adverse weather on tourist activities, providing financial protection and ensuring business continuity.

Manufacturing: Manufacturers use parametric insurance to protect against supply chain disruptions caused by natural disasters. Parametric insurance offers immediate payouts based on specific triggers, helping manufacturers manage these risks and maintain continuity.

PARAMETRIC INSURANCE: KEY ADVANTAGES TO INVESTORS

Parametric insurance offers several distinct advantages over traditional indemnity insurance, particularly from an investor's perspective. By relying on measurable external triggers for payouts, parametric insurance eliminates many of the complexities found in indemnity models, such as lengthy claims processes and capital being unnecessarily reserved for potential claims. This more straightforward structure enhances predictability, reduces uncertainty, and can lead to higher potential returns. The following highlights some prominent advantages to investors when investing in parametric insurance transactions.

Diversification and Uncorrelated Returns: Parametric insurance-linked investments are generally uncorrelated with broader financial markets and can be structured globally, with each contract typically covering a specific, limited geographical area. As a result, a portfolio of parametric insurance contracts can encompass a diverse set of uncorrelated transactions, significantly enhancing the portfolio's diversification profile.

Reduced Costs of Claim Management: Losses are determined based on predefined external parameters (e.g., wind speed, rainfall), which eliminates the need for complex and time-consuming claims processes. This reduces costs and uncertainties in loss adjustment.

Reduced Trapped Capital Risk: Since losses are determined by parameters at maturity (e.g., weather data), capital is not typically trapped and can be re-invested, minimising opportunity costs.

Potentially Higher IRR: With reduced risk of capital to be trapped unnecessarily, parametric insurance offers the potential for higher IRR, as returns are typically not diluted. This efficiency can lead to better capital utilisation.

Symmetry of Information: Risk assessment is largely based on external factors (e.g., natural catastrophe hazards) that are symmetric between the risk bearer and the insured, reducing concerns about asymmetric information.

Model Reliability and Precision: Parametric insurance focuses on external hazard data without modelling the specific impact of the hazard on the insured property. This reduces model complexity and uncertainty, potentially providing more reliable outcomes.

ESG: Investing in parametric insurance transactions aligns with ESG principles by promoting disaster resilience and climate adaptation. These solutions provide rapid financial relief to communities and businesses impacted by natural catastrophes, fostering economic recovery and reducing vulnerabilities. This makes parametric insurance an attractive option for investors seeking both financial returns and measurable social impact.

> *With reduced risk of capital being trapped unnecessarily, parametric insurance offers the potential for higher IRR, as returns are typically not diluted.*

WHY NOW?

Over the past decade, substantial efforts have been made to educate the market on these innovative solutions. Corporations across various sectors have increasingly recognised the value of parametric insurance in protecting their assets. Additionally, governments in disaster-prone regions have begun exploring parametric coverage as a viable complement to traditional insurance, particularly for large-scale natural catastrophes or in industries like agriculture. This educational push has been crucial to fostering more widespread adoption, but it has required years of concerted effort from insurers, brokers, and technology providers.

The growth of the parametric insurance space over the last five years has been driven by four key factors:

Venture Capital: Venture investors have flocked to the sector, viewing parametric insurance as a disruptive and innovative opportunity. Significant funding has been channelled into InsurTech companies, which have in turn focused heavily on business development.

Risk Capital: Traditional (re)insurers and MGAs have played a crucial role, recognising that parametric insurance aligns with their goals of diversifying risk portfolios and tapping into new market segments.

Technology: Advances in data collection, processing, modelling, and automation have been instrumental in developing new parametric products. These innovations leverage satellite imagery, sensors, weather stations, and other tools to enhance the accuracy and efficiency of parametric insurance solutions.

Human Capital: Brokers and traditional (re)insurers have significantly expanded their teams to focus on parametric insurance—a marked shift from a decade ago when such products were niche offerings. Today, brokers actively promote these solutions to corporate clients, governments, and other entities seeking flexible risk management tools.

In addition to the above, the broader property catastrophe insurance market has experienced a significant increase in premium rates over the past five years, driven by a recalibration of risk and enhanced underwriting discipline. For instance, premium rates for U.S. property catastrophe business have risen by approximately 60% from 2020 to 2023 (see exhibit below), with similar trends observed in the Cat Bond market.

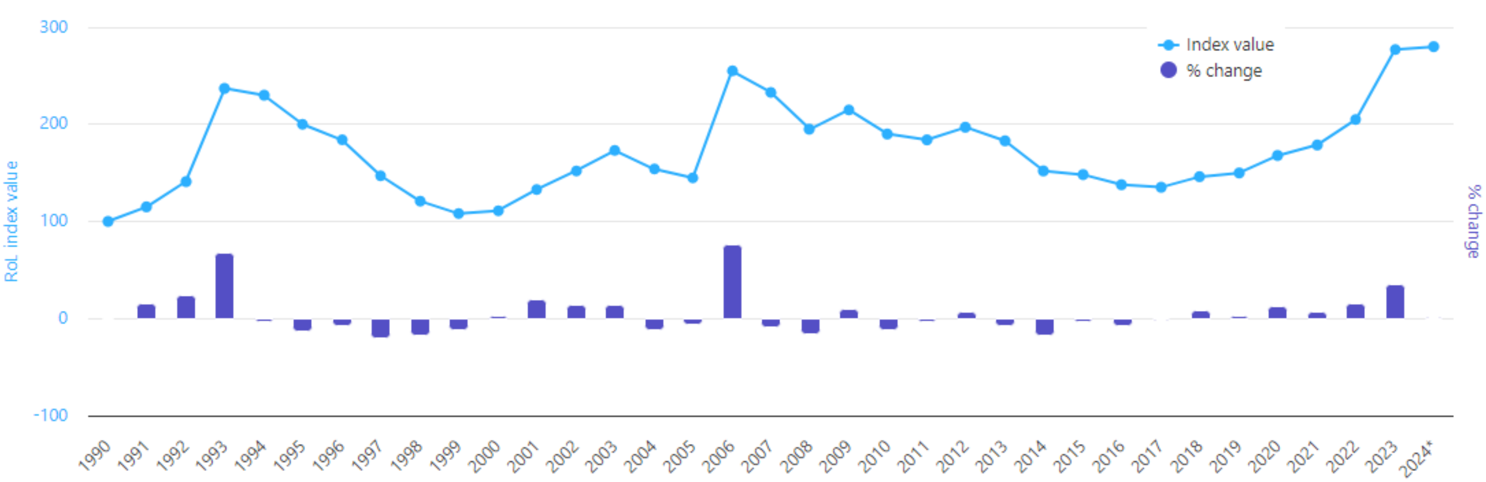
RISK CONSIDERATIONS

The fund is subject to the following risks:

- Exposure to Non-Parametric Insurance Risk
- Counterparty Risk
- Event Risk
- Valuation Risk
- Model Risk
- Liquidity Risk

The use of financial derivative instruments and borrowings will result in the creation of leverage, calculated as follows: Gross method: maximum 210% of Net Asset Value of fund - Commitment method: maximum 110% of Net Asset Value of fund. This is not an exhaustive list of the risks. Other risks apply, differ by share class and are subject to change. For more information on the risks please read the prospectus of the Fund and KID where applicable, in particular the risks section.

U.S. PROPERTY CATASTROPHE RATE-ON-LINE INDEX[1]



Source: Data from Guy Carpenter as at July 2024. [1]Guy Carpenter U.S. Property Rate on Line Index is the proprietary index of US property catastrophe reinsurance Rate-on-Line movements, on brokered excess of loss placements, that has been maintained by Guy Carpenter since 1990. The index covers US property catastrophe renewals. It is updated following January 1st renewals and July 1 renewals reflecting the full year, by calculating the change in ROL year on year across the same renewal base.

While parametric insurance is still in its pre-commoditisation phase, the market is maturing. The current peak in premium rates (or equivalently, return potential) for natural hazard insurance, coupled with the establishment of foundational infrastructure for parametric insurance, presents a unique opportunity for asset managers and investors. This convergence enables the development of scalable investment vehicles to capitalise on this growing sector effectively.

CASE STUDY: JAMAICA PARAMETRIC CATASTROPHE BOND

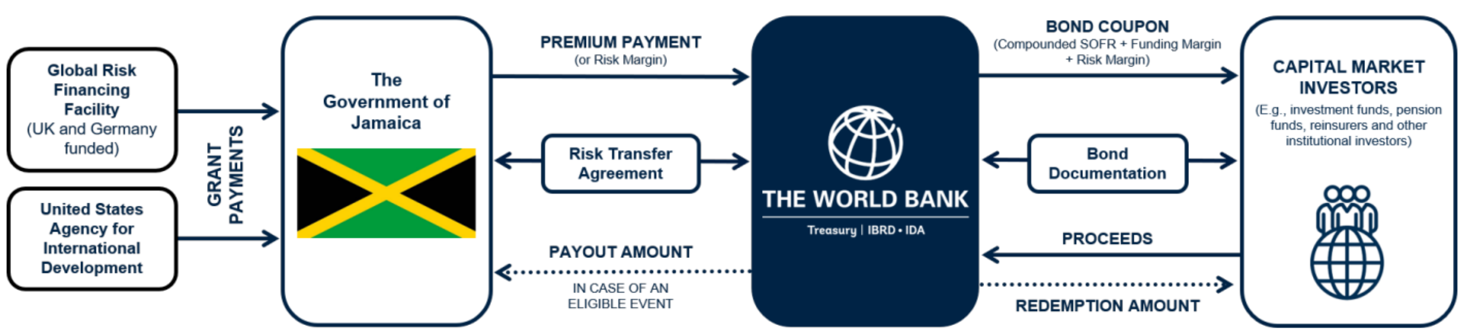
Jamaica, highly vulnerable to hurricanes, partnered with the World Bank to issue a parametric catastrophe bond aimed at securing rapid financial relief for disaster recovery. This approach helps reduce the economic strain on the government following severe hurricanes affecting the island. Parametric bonds are particularly appealing to governments because they rely on predefined triggers, enabling faster payouts without the delays of traditional claims processes.

In this transaction, payouts are contingent on the central pressure of a hurricane occurring within specific predefined polygons. The bond's expected loss—a metric representing the annualised probability of loss based on long-term modelling by an independent vendor—is 1.50%. The insurance spread is set at 7.00%, offering an attractive modelled expected return for investors of 5.50% plus the risk-free rate. Additionally, Jamaica, as a geographically ring-fenced region, provides significant diversification benefits, as its hurricane risk is largely uncorrelated with most other ILS transactions, enhancing its appeal to investors.

Cedant/ Sponsor	Government of Jamaica
Cover	USD 150m
Year	2024
Region	Jamaica
Perils	Tropical Cyclones (2024-2027)
Trigger Type	Parametric, per occurrence
Trigger Mechanism	Based on central pressure
Expected Loss	1.50%
No Loss Annual Return	7.00% + Risk Free Rate

In May 2024, when Hurricane Beryl struck Jamaica, the bond did not incur a loss due to its specific trigger parameters. The storm's track and intensity did not meet the predetermined conditions for the bond to activate. This underscores the efficiency of parametric insurance structures, benefiting both the sponsor and investors. For investors, no capital was trapped, and no mark-to-market impairment occurred, as it was immediately clear post-event that the bond would not face losses. This level of transparency and certainty is a distinct advantage over traditional indemnity-based insurance, where claims adjustments can introduce delays and uncertainty.

WORLD BANK / IBRD BOND



Source: Twelve Capital. As at 30 June 2024. https://www.mof.gov.jm/world-bank-settles-catastrophe-bond-issued-on-behalf-of-the-government-of-jamaica/

CONCLUSION

The parametric insurance segment is evolving, presenting investors with a growing range of attractive and mature investment opportunities. Unlike in the past, when growth was driven by bespoke demand or market cycles, the space is now poised for continued expansion. This shift is largely due to increased awareness among hedgers and key decision makers, who now recognise the specific benefits of parametric insurance and its complementary role alongside traditional indemnity products.

For investors, parametric insurance presents a unique opportunity to enhance portfolio diversification and improve risk-adjusted returns. With predefined triggers and faster payouts, it reduces uncertainty and provides a valuable complement to traditional ILS strategies. By leveraging sourcing and underwriting partnerships, fronting facilities, advanced technology, and robust risk models, parametric solutions are becoming more scalable and accessible.

This evolution signals a transformative moment in the ILS market — one where parametric insurance is poised to play a significant role in shaping the future of risk and investment strategies.

With predefined triggers and faster payouts, parametric insurance reduces uncertainty and provides a valuable complement to traditional ILS strategies

ABOUT THE AUTHOR

Dr. Rom Aviv, PhD
ILS Senior Adviser

Rom rejoined Twelve Capital as a Senior Advisor for the ILS business in January 2024. Before this, he established RHA Advisory, focusing on transaction structuring, M&A, and advisory within the (re)insurance and ILS sectors from 2022 to 2023. Between 2020 and 2021, Rom was Managing Director and Head of Insurance at Agritask, an agricultural technology SaaS company supported by leading Impact Investors, where his team advanced the use of satellite imagery technology in agricultural insurance for emerging markets. From 2017 to 2019, he co-founded, in partnership with IBI Investment House (a USD 12 billion AUM asset manager), the first MENA-region ILS business, investing in a variety of instruments such as sidecars, ILWs, parametric insurance, and cat bonds.

Prior to that, Rom was the Executive Director and Head of Catastrophe Bonds at Twelve Capital for approximately five years (2012-2016), managing around USD 1 billion in ILS portfolios, developing the private Cat Bond Platform, and advancing ILS Analytics. He began his career in academia, conducting research in stochastic analysis and financial economics at RiskLab Switzerland and the University of Cambridge, between 2008-2011. Rom holds a Ph.D. in Financial Mathematics from ETH Zurich and graduated Cum Laude with both an MSc and a BSc in Mathematics from Tel Aviv University.

FUND OBJECTIVES AND RISK CONSIDERATIONS

The objective of the Fund is to achieve long-term risk-adjusted returns for Investors by creating a diversified portfolio of investments with a focus on insurance risks including natural catastrophe and weather-related risks. The fund is subject to the following risks: exposure to non-parametric insurance risk, event risk, model risk, counterparty risk, valuation risk and liquidity risk.

The use of financial derivative instruments and borrowings will result in the creation of leverage, calculated as follows: Gross method: maximum 210% of Net Asset Value of fund - Commitment method: maximum 110% of Net Asset Value of fund.

This is not an exhaustive list of the risks. Other risks apply, differ by share class and are subject to change. For more information on the risks please read the prospectus of the Fund and KID where applicable, in particular the risks section.

This material is intended for professional and institutional investors only and is not to be directed at or made available to retail clients or US Persons. If the reader of this message is not the intended recipient you are hereby notified that any dissemination, distribution, copying, or other use of this transmission is strictly prohibited.

IMPORTANT DISCLOSURES

Investors are urged to seek independent advice and to conduct their own due diligence processes regarding the legal, regulatory, tax or financial implications of any investment. These should include investigations regarding the suitability of the product to meet their Investment objectives, parameters and constraints, the investment rationale of the product, and the personnel and procedures employed by the investment manager to the fund. They should also include assessment of the operational aspects of the Lumyna Alternative Funds SICAV and the Sub-Fund, and the relevant legal, regulatory, tax and similar framework. Investors are urged to review these findings on a regular and on-going basis, as circumstances may change.

Please note that the Sub-Funds are not approved for retail distribution in all jurisdictions - we invite you to contact Lumyna Investments Limited to receive the current status.

Please also note that this presentation is not approved for distribution to retail investors.

The Sub-Fund is actively managed, and is not managed in reference to a benchmark.

The Sub-Fund has been registered for distribution to professional investors only in Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, United Kingdom, Singapore, Switzerland.

The Fund has also been registered for semi-professional investors (as defined by the relevant local legislation and detailed in the Subscription Agreement) in Belgium, Denmark, Germany, Italy, Luxembourg, Netherlands, United Kingdom and Switzerland.

There are selling restrictions in place outside of these jurisdictions, please refer to the Subscription Agreement to find out whether the Fund is available in your country and investor group. Investors must read the Prospectus in conjunction with the Supplement, the Articles of Association and the Subscription Agreement.

Investment Risks

Investment in the Funds carries substantial risk. There can be no assurance that the investment objectives of the Funds will be achieved and investment results may vary substantially over time. Investment in the Funds is not intended to be a complete investment programme for any investor. Investment in the Funds is intended for experienced investors who are able to understand and accept the risks involved.

A prospective investor should appreciate that the value of any investment, and any income from any investment, may go down as well as up and that an investor's capital is at risk and the investor may not receive back the amount invested.

Past performance is not indicative of future results. Holdings and allocation data is subject to change and is for illustrative purposes only.

This marketing communication does not contain all the risks associated with an investment in the Funds. Persons considering investing in a Fund should have regard to, among other matters, the considerations described under the heading "Risk Factors" in the Prospectus and the statements set out under the Risk headings in the relevant Supplement.

Please refer to the Prospectus and Key Information Document ("KIDs", where applicable) for the Funds for more information on general terms of investment in the Funds, risks associated with such investment and the fees. Investors should only invest in the Funds once they have carefully reviewed the most recent Prospectus and relevant KID as well as the latest financial reports. Applications to invest in the Fund must only be made on the basis of the Prospectus, the KIDs and subscription documentation. The current Prospectus, KIDs and annual and semi-annual reports of the Funds are available from www.lumyna.com. The Funds may not be suitable investments for you and you should therefore seek professional investment advice before making a decision to invest in any of the Funds.

Investor Rights

A summary of your investor rights is available in English at https://www.lumyna.com/literature/document-centre/policies-disclosures and also upon request (free of charges) at info@lumyna.com.

For investors in the European Union/European Economic Area only: This material is marketing communication is related to a sub-fund of Lumyna Alternative Funds SICAV, a Luxembourg domiciled alternative investment fund ("AIF"). This marketing communication is issued by the Alternative Investment Manager ("AIFM"), Generali Investments Luxembourg S.A.: 4 Rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. Before making any investment decision, please consider all characteristics, objectives, risks and costs detailed in the Key Information Document ("KID") available in one of the official languages of your country and the Prospectus available in English upon request free of charge to the AIFM. The Management Company may decide to terminate the agreements made for the marketing of the Fund in your country. Generali Asset Management S.p.A. Società di gestione del risparmio, Italian asset management company, appointed as marketing promoter of the Fund in the EU/EEA countries (Via Niccolò Machiavelli 4, Trieste, 34132, Italia).

For investors in Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden only: This marketing communication is issued by Generali Asset Management SGR S.p.A which is an Italian asset management company registered under number 55 of the UCITS section and under number 165 of the AIF section of the list of asset management companies kept by Bank of Italy according to article 35 of the legislative decree 58/98.

For investors in the United Kingdom, Ireland & Switzerland only: This marketing communication is issued and approved by Lumyna Investments Limited ("Lumyna"). Lumyna is authorised and regulated by the Financial Conduct Authority and is on the UK Financial Services Register (FRN: 613481). Lumyna's registered office is at 11 Bressenden Place London SW1E 5BY.

This material contains information on Funds operated by Generali Investments Luxembourg S.A. ("Generali"). Lumyna has been appointed as principal distributor of the Funds and has engaged Generali Asset Management SGR S.p.A via its branch offices in France, to provide marketing and distribution services in respect of the Funds.

Notice to investors in the United Kingdom: This material is a financial promotion and has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000, by Lumyna Investments Limited (the authorised person). The fund is notified for distribution in the United Kingdom as per Regulation 59 of The Alternative Investment Fund Managers Regulations 2013 and is only intended for professional clients and investors meeting the eligibility criteria as defined in the Conduct of Business Sourcebook.

The Fund has been established and is authorised as an Undertakings for Collective Investment in Luxembourg. The Fund has been notified to the Financial Conduct Authority of the UK (the "FCA") for the purposes of the AIFMD in the United Kingdom and therefore is considered to be a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). The distribution of this marketing material and the offering of Units in the United Kingdom may be restricted. Persons into whose possession this material comes are required to inform themselves about and to observe any such restrictions. This material does not constitute an offer or solicitation to any person to whom it is unlawful to make such offer or solicitation.

Potential investors should be aware that the Fund is not subject to the rules and regulations made under the Financial Services and Markets Act 2000 ("FSMA") for the protection of investors. Investors will not have any protection under the United Kingdom Financial Services Compensation Scheme (FSCS) or the Financial Ombudsman Service (FOS).

A prospective investor should consider getting financial advice before deciding to invest and should see the prospectus of the scheme for more information.
Notice to investors in France: The key investor information document, Prospectus, articles and latest annual and half-yearly reports are freely available upon request from Société Générale 29, boulevard Haussmann, 75009 Paris, the centralising agent of the Company in France. The Prospectus, the articles and the latest annual and half-yearly reports are only available in English. The information herein is for general guidance only and further information is available in the Prospectus.
Notice to investors in Switzerland: This material is advertising intended only for Swiss professional and Swiss institutional investors as defined in the Financial Services Act. The Fund is not registered with the Swiss Financial Market Supervisory Authority.

Additional Information

Not all classes of units/shares and Funds are available for investment in all countries. The Funds may only be offered and distributed to investors in accordance with all relevant local laws and regulations. The distribution of this presentation and the offering or purchase of units/shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this document and any persons wishing to subscribe for units/shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction.

Prospective investors in the Funds should inform themselves as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile. The tax implications of investing in the Fund will depend on individual financial circumstances and the investor's country of residence. The Funds and units/shares may be registered for public distribution in certain jurisdictions. Please note that the fact of such registration does not mean that any regulator has determined that such Funds are suitable for all or any investors. For an up-to-date list of those jurisdictions, investors should contact Lumyna. Further details relating to the availability of the Funds in certain jurisdictions are set out below under "Selling Restrictions".

This material is not, and should not be treated as, investment research or a research recommendation and has accordingly not been prepared in accordance with any legal requirements designed to promote the independence of investment research nor is it subject to any dealing prohibition on dealing ahead of the dissemination of investment research.

This material has been compiled from various sources. To the extent that the information in this communication reflects the views of Lumyna and/or Generali, this information and views expressed are subject to change without notice to you. Although the information set out in this marketing communication is obtained from sources believed to be reliable, neither Generali nor Lumyna guarantees, or represents or warrants as to, its accuracy, adequacy or completeness or recommends that such information serve as the basis for an investment decision.

The information in this marketing communication is for your private information and for discussion purposes and neither the information nor any opinions expressed constitutes an offer or solicitation, or advice or recommendation, by Lumyna or Generali for the purchase or sale of any securities or other financial instruments and may not be construed as such. This information does not constitute an intention to market any other product, including any other investment fund, nor does it constitute advice of any kind, whether in relation to legal, compliance, accounting, regulatory matters or otherwise, a personal recommendation or otherwise or an expression of our view as to whether a particular financial product is suitable or appropriate for you and meets your financial or any other objectives. This information is not based on the particular circumstances of any recipient.

Any description involving investment process, goals or risk management techniques are provided for illustration purposes only, will not apply in all situations, may not be fully indicative of any present or future investments and may be changed in the discretion of the investment manager. No representation is made that any strategy's investment process, goals or risk management techniques will or are likely to be achieved or successful.

Where the information herein relates to legislative initiatives, it represents a non-exhaustive summary of the current understanding of the legislation and the proposed timeframes as at the date of this publication, which is subject to interpretation and change pending further clarification of the rules through the legislative rule making and implementation processes in the relevant jurisdiction. Any such information does not constitute, and should not be relied upon as, legal advice.

The information contained herein is only as current as of the date indicated and may be superseded by subsequent market events or for other reasons. A variety of market factors and assumptions may affect any analysis contained in this material, and this analysis does not reflect all possible loss scenarios. Some products may place your capital at risk; yield figures quoted may not display all the short- and long-term prospects for the investment. There is no certainty that the parameters and assumptions used in this analysis can be duplicated with actual trades. Any historical exchange rates, interest rates or other reference rates or prices which appear in this material are not necessarily indicative of future exchange rates, interest rates, or other reference rates or prices.

Generali and/or its affiliates may have a position and/or trade for their own accounts as odd-lot dealer, market maker, block positioner, specialist, liquidity maker and/or arbitrageur in any securities of issuers mentioned herein or in related investments and also may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any issuer mentioned herein.

Information and Paying Facilities in the following EU/EEA countries: PricewaterhouseCoopers, Société coopérative has been appointed as Central Facilities Agent in the following jurisdictions: Belgium, Italy, Germany and the Netherlands.

Limitation of Liability:
Lumyna believes the information and data contained herein to be reliable, but no representation, warranty or undertaking of any kind, whether implied, expressed or statutory, is given as to its correctness, accuracy, timeliness or completeness. Lumyna accepts no duty or responsibility to update the information or data and expressly disclaims liability for errors, inaccuracies or omissions, whether received from third parties or otherwise. Lumyna further accepts no liability for any loss or damage arising out of the use or misuse of, or reliance on, the information and data provided including, without limitation, any loss of profits or any other damage, whether direct, indirect or consequential.

SELLING RESTRICTIONS:
United States:
US Person - Warning: The Shares/units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any of the states of the United States. The Shares/units may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any U.S. Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. The Fund has not been and will not be registered in the U.S. There has not been and will not be a public offering of the Shares/units in the United States.

To learn more, visit lumyna.com.

LUMYNA

Hong Kong:

Warning: The contents of this document/website have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This document has not been registered by the Registrar of Companies in Hong Kong. The Fund is a collective investment scheme as defined in the Securities and Futures Ordinance of Hong Kong (the "Ordinance") but has not been authorised by the Securities and Futures Commission pursuant to the Ordinance. Accordingly, the Units/Shares may only be offered or sold in Hong Kong to persons who are "professional investors" as defined in the Ordinance and any rules made under the Ordinance or in circumstances which are permitted under the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong and the Ordinance. In addition, this communication may not be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, and the Units/Shares may not be disposed of to any person unless such person is outside Hong Kong, such person is a "professional investor" as defined in the Ordinance and any rules made under the Ordinance or as otherwise may be permitted by the Ordinance.

Singapore:

This material is intended only for institutional investors as defined in the in the Securities and Futures Act ("SFA"). The Fund is not allowed to be offered to accredited investors or relevant persons as defined in Section 305 of the SFA. This material is part of the Information Memorandum, it is not advertising and has not been reviewed by the Monetary Authority of Singapore ("MAS").

Jersey:

Consent under the Control of Borrowing (Jersey) Order 1958 (the "COBO Order") has not been obtained for the circulation of this document. Accordingly, the offer that is the subject of this document may only be made in Jersey where the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. The Directors may, but are not obliged to, apply for such consent in the future.

Guernsey:

This communication is only being, and may only be, made available in or from within the Bailiwick of Guernsey and the provision of this communication is only being, and may only be, made in or from within the Bailiwick of Guernsey:

(i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (as amended) (the POI Law); or

(ii) to persons licensed under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 2020(as amended), the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2020 (as amended), the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (as amended) or the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended.

The Fund referred to in this communication is not available in or from within the Bailiwick of Guernsey other than in accordance with the above paragraphs (i) and (ii) and must not be relied upon by any person unless made or received in accordance with such paragraphs.

Neither this material nor any units/shares offered pursuant to this document have been reviewed or approved by the Guernsey Financial Services Commission or the States of Guernsey Policy Council nor has it been delivered to the Guernsey Financial Services Commission pursuant to the Prospectus Rules and Guidance, 2021 issued under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (as amended) (the POI Law) and therefore this material may not be circulated by way of offer to more than 50 members of the public in the Bailiwick of Guernsey for the purposes of the Prospectus Rules 2021.

Japan:
The units/shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, none of the units/shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a "Japanese person" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

When the Funds have been registered under Private Placement, this material is only intended to Qualified Institutional Investors, who are persons having expert knowledge of and experience with investment in Securities, as per Article 2(3)(i) of the Foreign Instrument and Exchange Act (FIEA) and Article 10(1) of the Definition of Cabinet Office Ordinance on Definitions under Article 2 of the FIEL (Ordinance).

To find out whether the Fund is under private placement in Japan, please refer to the list of countries in the material or investors should contact info@lumyna.com.

Andorra:
The Fund has not been authorised by or registered with the Andorran regulator (AFA) as a foreign collective investment scheme in accordance with section 41 of Law 10/2008 of 12 June on Undertakings for Collective Investment, as amended. Accordingly, the Units/Shares of the Fund may not be offered or sold in Andorra by means of any marketing activities as defined in the Preliminary Title section 15 of Law 10/2008, as amended.

Monaco:

The Fund may not be offered or sold, directly or indirectly, to investors in Monaco other than by a duly authorised intermediary. Such intermediaries are banks and financial activities companies duly licensed by the "Commission de Contrôle des Activités Financières" (CCAF) by virtue of Law n°1.338 of September 7th, 2007 and authorised under Law n° 1.144 of July 26th, 1991.

Otherwise, the Fund may only be offered or sold to: i) institutional investors (pension funds, the government, the sovereign fund, the Prince's Foundation, banks and insurance companies); ii) companies licensed by the CCAF; iii) investors who have raised enquiries at their own initiative (on cross border and reverse solicitation basis); and iv) existing clients of relevant entities (on a cross border basis). The distribution of this document is restricted accordingly.

By accepting this document, recipients warrant that they are fluent in English and expressly waive the possibility of a French translation of this document. Les destinataires du présent document reconnaissent être à même d'en prendre connaissance en langue anglaise et renoncent expressément à une traduction française

Brazil:

The shares/units in the Fund may not be offered or sold to the public in Brazil. Accordingly, the shares/units in the Fund have not been nor will be registered with the Brazilian Securities Commission - CVM nor have they been submitted to the foregoing agency for approval. Documents relating to the shares/units in the Fund, as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of shares/units in the Fund is not a public offering of securities in Brazil, nor used in connection with any offer for subscription or sale of securities to the public in Brazil.

Israel:

This document has not been approved by the Israel Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute "an offer to the public" under sections 15 and 15A of the Israel Securities Law, 5728-1968 ("the Securities Law") or section 25 of the Joint Investment Trusts Law, 5754-1994 ("the Joint Investment Trusts Law "), as applicable. The Fund is being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in section 15A(b) of and/or the First Addendum ("the Addendum") to the Securities Law, ("Sophisticated Investors") namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing Funds for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing Funds for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing Funds for themselves), members of the Tel-Aviv Stock Exchange (purchasing Funds for themselves or for clients who are Sophisticated Investors), underwriters (purchasing Funds for themselves), venture capital funds engaging mainly in the capital market, an entity which is wholly-owned by Sophisticated Investors, corporations, (other than formed for the specific purpose of an acquisition pursuant to an offer), with a shareholders equity in excess of NIS 50 million, and individuals investing for their own account, in respect of which at least one of the following applies: the total value of their cash, deposits, financial assets (as defined in the Investment Advice Law) and securities traded on a stock exchange licensed under the Securities Law (together, "Liquid Assets") exceeds NIS 8,364,177 ; their level of income over each of the preceding two years exceeds NIS 1,254,627, or the level of income of their "family unit" exceeds NIS 1,881,940; or the aggregate value of all their Liquid Assets exceeds NIS 5,227,610 and their level of income over each of the preceding two years exceeds NIS 627,313, or the level of income of their "family unit" exceeds NIS 940,969; each as defined in the said Addendum, as amended from time to time, and who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Joint Investment Trusts Law, the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israel Securities Authority. This document may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases a Fund is purchasing such Fund for its own benefit and account and not with the aim or intention of distributing or offering such Fund to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing Fund for another party which is a Sophisticated Investor). Nothing in this document should be considered investment advice or investment marketing as defined in the Regulation of Investment Counselling, Investment Marketing and Portfolio Management Law, 5755-1995 ("the Investment Advice Law"). Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making the investment. Lumyna does not hold a licence under the Investment Advice Law, nor does it carry the insurance as required of a licensee thereunder. As a prerequisite to the receipt of a copy of this document a recipient shall be required by the Fund to provide confirmation that it is a Sophisticated Investor purchasing Funds for its own account or, where applicable, for other Sophisticated Investors. This document does not constitute an offer to sell or solicitation of an offer to buy any securities other than the Shares/Units offered hereby, nor does it constitute an offer to sell to or solicitation of an offer to buy from any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

Liechtenstein:

As at the date of this document, the Fund has not been approved, notified or registered for marketing to investors in Liechtenstein. However, such approval may be sought or such notification or registration may be made in the future. Therefore, this Prospectus may only be transmitted to an investor in a Liechtenstein at such investor's own initiative.

Malta:

As at the date of this document, the Fund has not been approved, notified or registered for marketing to investors in Malta. However, such approval may be sought or such notification or registration may be made in the future. Therefore, this document may only be transmitted to an investor in a Malta at such investor's own initiative.

Peru:

The Superintendencia del Mercado de Valores (SMV) does not exercise any supervision over this Fund and therefore the management of it. The information the Fund provides to its investors and the other services it provides to them are the sole responsibility of the Administrator. This document is only for the exclusive use of institutional investors in Peru and is not for public distribution.

San Marino:

The Fund has not been registered with the Central Bank of San Marino as a foreign collective investment scheme and this Prospectus (or any other agreement, document or material in relation to the Fund) has not been approved by the Central Bank of San Marino pursuant to Law 2005, 17th of November, n. 165 as amended from time to time (the "Law"). Therefore: (i) Unit/Shares may not be advertised, offered or sold; and (ii) the Prospectus or any other offering material, may not be distributed or caused to be distributed to the public in circumstances which could qualify as the marketing of Units/Shares in the Republic of San Marino pursuant to the Law without prior registration of the Fund with the Central Bank of San Marino and all such documentation and marketing material being approved by the Central Bank of San Marino.

Thailand:

The document has not been approved by the Securities and Exchange Commission which takes no responsibility for its contents. Nothing in this document nor any action of the Fund constitutes or shall be construed as an offer for sale of any securities, or a solicitation, by the Fund, to make an offer for sale of any securities to the public in Thailand. This document is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally. Remarks: This investment contains risks. An investor should study all information prior to making a decision to invest.

Uruguay:
The sale of the units/shares qualifies as a private placement pursuant to section 2 of Uruguayan law 18,627. The units/shares must not be offered or sold to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The units/shares are not and will not be registered with the Financial Services Superintendency of the Central Bank of Uruguay. The units/shares correspond to investment funds that are not investment funds regulated by Uruguayan law 16,774 dated September 27, 1996, as amended.

Sources (unless otherwise stated): Lumyna Investments Limited

Part of GENERALI INVESTMENTS

To learn more, visit lumyna.com.

LUMYNA