

## Hurricane Irma, Caribbean

Update – Wednesday, 6 September 2017

### Event Summary

Hurricane Irma, located near Barbuda in the Lesser Antilles (Caribbean), is currently tracking west at about 20 km/h. Irma is the fifth ever recorded Atlantic hurricane with a peak wind speed of more than 295 km/h. Increasing sea surface temperatures and a very favourable upper-level wind pattern are expected to allow Irma to remain a Category 4 or 5 hurricane over the next few days. A strong ridge of high pressure is expected to steer Irma to the north-west.

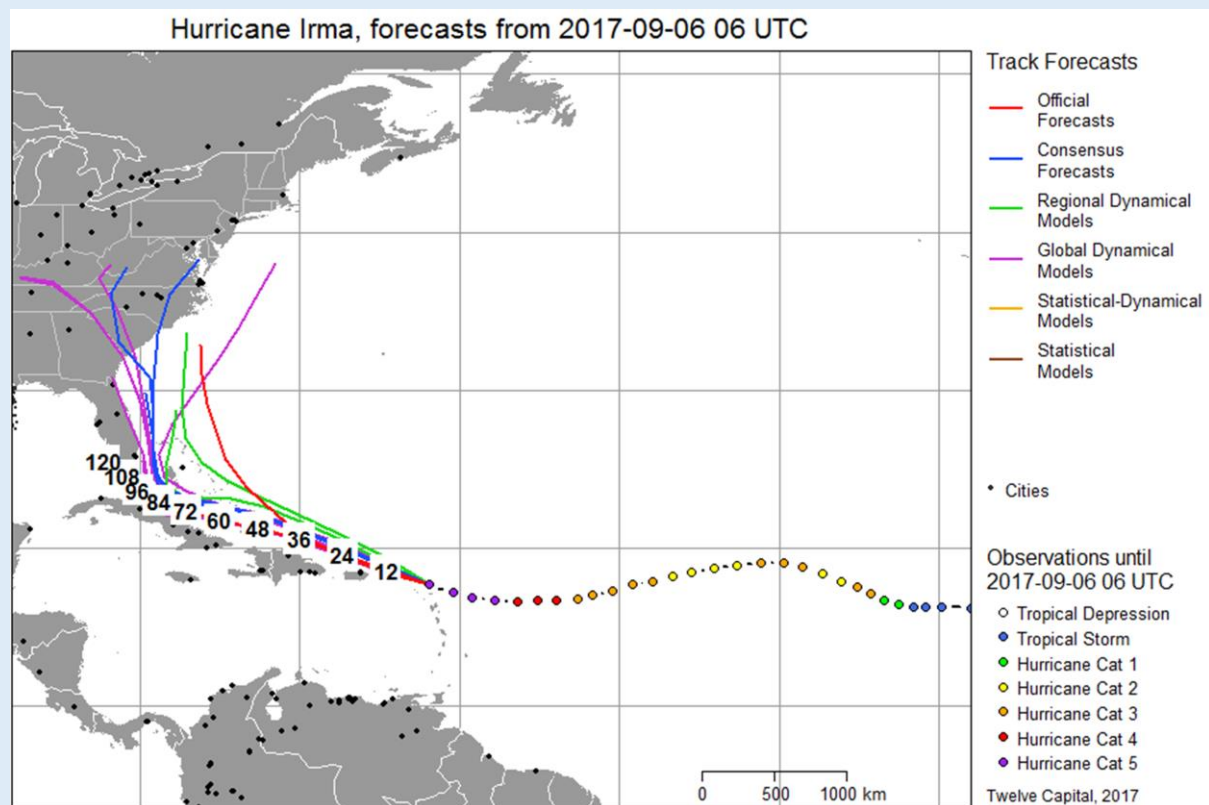
### Track Scenarios

Current storm location and prevailing sea surface and upper air weather conditions suggest following the track scenarios:

1. Puerto Rico, Bahamas or Atlantic, then Florida
2. Puerto Rico bypass, then Atlantic
3. Puerto Rico, Hispaniola, Cuba, Gulf of Mexico, and then Gulf coast

Currently, most forecast models suggest a track which follows scenarios 1 or 2 (see Figure 1).

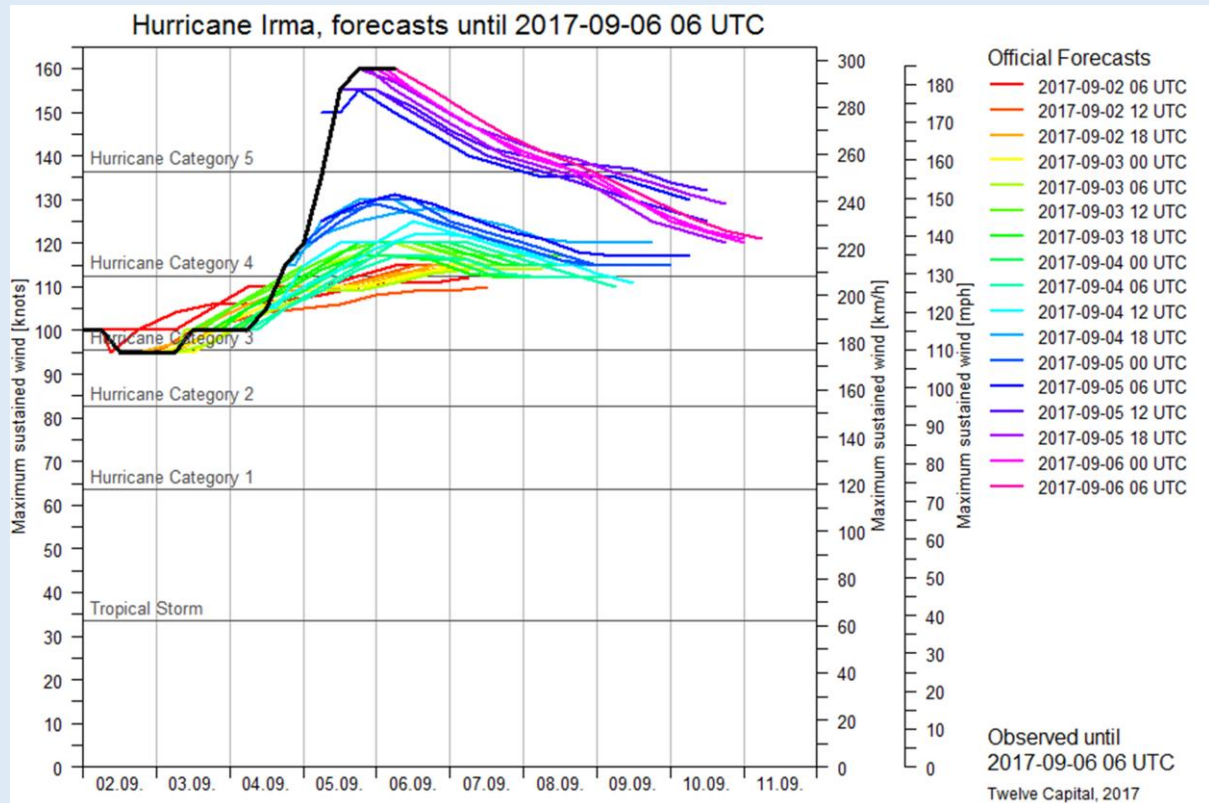
**Figure 1: Irma observations (points) and forecast tracks (lines) as at 6 September 2017, 06:00 UTC.**



Source: NOAA, Twelve Capital.

It is important to note that the storm development beyond a 3-day-forecast range remains highly uncertain. Figure 2 highlights the model uncertainty on Irma's past track.

**Figure 2: Intensity forecasts issued between 2-6 September 2017. Actual storm intensity (black line) grew much higher than anticipated. During 5 September 2017 a rapid intensification was observed.**



Source: NOAA, Twelve Capital.

Current model consensus however expects a northward turn in an area between Cuba and Florida. Scenario 3 would lead to significant weakening due to extensive rainfall and surface friction over land.

**Impact**

Irma is a catastrophic Category 5 hurricane and is expected to bring life-threatening wind, storm surge, and rainfall to the north-eastern Leeward Islands. These hazards are highly probable to spread into the Virgin Islands and Puerto Rico today (6 September 2017). Irma is likely to directly affect further areas as a major hurricane later this week.

**Assessment of Loss Potential**

Significant insured values are located on the track, particularly the Virgin Islands and Puerto Rico. This includes a wide range of residential, commercial and industrial properties. A number of Cat Bonds are at risk from potential losses from Puerto Rico. Following this, the track is uncertain but potentially Irma will affect the densely populated Floridian peninsula.

Twelve Capital continues to monitor the situation closely and will inform upon major developments.

## Disclaimer

This material has been prepared by Twelve Capital AG, Twelve Capital (UK) Limited or their affiliates (collectively, "Twelve Capital"). This material has been furnished solely upon request and is intended for the recipient personally and may not be reproduced or otherwise disseminated in whole or in part without prior written consent from Twelve Capital. It is expressly not intended for persons who, due to their nationality or place of residence, are not permitted access to such information under local law as the product may not be authorised or its offering may be restricted in certain jurisdictions. It is the responsibility of every investor to satisfy himself as to the full observance of such laws, regulations and restrictions of the relevant jurisdiction.

This information was produced by Twelve Capital with the greatest of care and to the best of its knowledge and belief. However, the information herein may be based on estimates and may in no event be relied upon. All information and opinions contained in this document are subject to change without notice. Twelve Capital AG's analyses and ratings, including Solvency II compliance analysis, Twelve Capital AG's Counterparty Credit Rating and Twelve Capital AG's Legal Rating, are statements of Twelve Capital AG's current opinions and not statements of fact. Source for all data and charts (if not indicated otherwise): Twelve Capital. Twelve Capital does not assume any liability with respect to incorrect or incomplete information (whether received from public sources or whether prepared by itself or not). This material does not constitute a prospectus, a request/offer, nor a recommendation of any kind, e.g. to buy/subscribe or sell/redeem investment instruments or to perform other transactions. The investment instruments mentioned herein involve significant risks including the possible loss of the amount invested as described in detail in the offering memorandum(s) for these instruments which will be available upon request. Investments in foreign currencies involve the additional risk that the foreign currency might lose value against the investor's reference currency. Investors should understand these risks before reaching any decision with respect to these instruments. The information does not take account of personal circumstances and therefore constitutes merely promotional communication, and not investment advice. Consequently, Investors are advised to take all necessary legal, regulatory and tax advice on the consequences of an investment in the product. Past performance is no indication or guarantee of future performance. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming shares.

Note to EU investors: when distributed in the EU, this information has been distributed by Twelve Capital (UK) Limited in accordance with the terms of its authorisation and regulation by the Financial Conduct Authority.

Note to US investors: Neither this information nor any copy thereof may be sent, taken into or distributed in the United States or to any U.S. person (within the meaning of Regulation S under the US Securities Act of 1933, as amended). The products and services described herein may not be offered to or purchased directly or indirectly by US persons.

Twelve Capital AG is licensed as "Manager of collective investment schemes" by the Swiss regulator FINMA. Twelve Capital AG is incorporated in Switzerland, registered number 130.3.015.932-9, registered office: Dufourstrasse 101, 8008 Zurich. Twelve Capital (UK) Limited is Incorporated in England & Wales: company number 08685046, registered office: Moss House, 15-16 Brook's Mews, London, W1K 4DS. Twelve Capital (UK) Limited is registered as an investment adviser with the U.S. Securities and Exchange Commission (the "SEC") and as a commodity pool operator ("CPO") with the U.S. Commodity Futures Trading Commission ("CFTC") and is a member of the National Futures Association (the "NFA") in such capacity. Such registrations and membership in no way implies that the FCA, the SEC, the CFTC or the NFA have endorsed Twelve Capital (UK) Limited's qualifications to provide the advisory services described in this document. Twelve Capital (US) Inc. is incorporated in the United States of America, incorporation number 6249536251, registered office: Little Falls Drive, Wilmington, New Castle County, Delaware 19808.

© 2017 Twelve Capital. All Rights Reserved.