

ESKATOS

With March 2018 the investment partnership we've built in 2008 has completed its 10th full year of operations. We've learnt that tough times never last, but strong partnerships do. Therefore, while we're of course very proud of having delivered a positive, risk-rewarding return in each of these ten years – something we believe demonstrates the validity of our strategy and of the reasons that led you to partner with us – what we're actually celebrating is the key element that made this story possible: a strong partnership between us, between Eskatos and its investors.

And what remains to be said is simply **thank you!** – or, to remain consistent with what we're celebrating, **10k you!**

CORPORATE OVERVIEW

Eskatos Capital Management represents the ILS branch of the [Azimut Group](#). It was established in the Grand Duchy of Luxembourg in 2008 to manage the investment vehicle Eskatos, as its general partner, and with the aim at pioneering in the then-emerging markets for insurance-linked securities, or ILS.

Eskatos Capital Management and its dedicated ILS technical analysis & research unit currently employ in total 14 professionals with extensive experience in the ILS space and with backgrounds in physics, mathematics, actuarial/financial engineering and law.

The whole team is keen on staying on top of the innovations that continuously come in a

fast-growing environment such as the ILS space and ultimately turn them into opportunities, on maintaining first class standards in terms of investment research, business sourcing and development, underwriting, administration, operations, compliance, investors' relations, besides on preserving and further enhancing its well-established presence and reputation on worldwide (re)insurance markets.

All this translates into a management approach geared at creating value to the benefit of our investors by way of putting capital at work on carefully-selected exposures, providing (re)insurance capacity taking advantage of the gap between global (re)insurance capacity and the need of protection, ensuring rewarding returns stabilized by extensive diversification – which is boosted by this asset class' signature uncorrelation to financial markets, the physical independence between natural catastrophes, and our global reach made possible by a unique, independent business sourcing network.

WHAT WE OFFER

Regulatory Security – Both Eskatos Capital Management and the investment vehicle Eskatos are solidly based in the Grand Duchy of Luxembourg, a leading jurisdiction for investment funds globally, also in consideration of the stability of its economic, financial, political and regulatory environment. Eskatos is regulated both under the European alternative investment fund managers directive (AIFMD) and under the Luxembourgish specialized investment funds (SIF) law. Our investors aren't exposed to uncertainty as to what will happen to UK-based asset managers and investment vehicles in terms of applicable regulatory framework and access to European markets after Brexit, uncertainty that is largely expected to last for years.

Independence – We source our reinsurance business directly and independently. This avoids any front running-drawbacks to our investors, which may otherwise be suffered by investors of ILS funds that source business through a reinsurance intermediary / fronter – we manage directly our extensive network of relationship with brokers and risk cedants worldwide, and resolve independently what (and how much) or what not to underwrite on solid physical and actuarial grounds, and our final allocation is signed directly by the ceding counterparty, not the reinsurance intermediary / fronter.

Innovation – Being a pioneer of the ILS space has helped us developing the necessary relationships, research abilities and skills to keep anticipating market trends. The ILS space is an arbitrage-prone environment – our corporate structure, together with our unique

multi-strategy, multi-asset and multi-line approach, allow us to efficiently move capital faster than our peers do and definitely faster than any traditional player of the markets in which we're active.

Agility – Due to the limited (although growing) size of worldwide (re)insurance markets, large ILS funds tend to be forced to underwrite almost anything that comes in the market, frequently relying on “blind diversification”. Diversification is massively important to us – our flagship strategy, the [Eskatos AZ Multistrategy ILS Fund](#), is probably the most diversified fund in the ILS space – but investing at below-EL, or into exposures that can in no way be completely understood, destroys investors' value in the long run and it is something an decently-sized, agile investment fund is not forced to do. Our current size allows us to enter into, or to fly away from positions smoothly, to diversify short-term loss volatility while isolating and capturing risk premium in the long-term (no risk premium, no investment), and to keep an efficient liquidity level without diluting investors' performance or worse. There is however room to substantially increase our AUM without having to renounce to the important “agility-related” advantages we currently offer to our investors.

Solidity – We are proudly fully-owned by the [Azimut Group](#), a leading Italian asset management group with operations in Europe, Asia, the Americas and Oceania and assets under management / administration in excess of US\$ 45bn. Azimut Holding S.p.A. is listed on the Milan stock exchange and is member, inter alia, of the main index of the Milan stock exchange (FTSE Mib) and of the Eurostoxx 600 index.