

Element ILS fund

Investment objectives

The objective of the Optimum Element ILS fund is to deliver returns that are uncorrelated with traditional asset classes through **exposure to Insurance-Linked Securities (ILS)**.

The strategy is based on active management, with value generation derived primarily from the risk premiums paid by global reinsurers in relation to **natural catastrophe risks**.

The portfolio is composed of **listed catastrophe bonds** and **private over-the-counter (OTC) transactions**, including Industry Loss Warranties (ILWs), as well as collateralized reinsurance and retrocession contracts.

Inception date	2026
Inception date of the underlying fund	August 2011
Vehicle offered	Mutual funds
Currency	Canadian dollars
Optimum Fund code	Series O: to be determined
Auditor	Ernst & Young
Depository	RBC Investor Services
Sub-manager of the Fund	SCOR IP
Fund assessment	Monthly
Liquidity	Subject to 75 days' notice

Why invest?

- **Target annual return equivalent to CORRA + 6% to 8%** over rolling four-year periods (before management fees).
- **Risk-adjusted returns generally superior** to those of traditional asset classes.
- **Low correlation** to economic cycles and other asset classes, providing **structural diversification** within a multi-asset portfolio.
- **Access to recognized institutional expertise:** The partnership between Optimum Asset Management and SCOR IP combines asset management and reinsurance expertise.
- **Limited sensitivity to interest rate fluctuations**
- **Highly diversified portfolio**

Weak correlation

	ILS Catbonds	Global equities	High yield bonds	US aggregate bonds
ILS Catbonds	1.00			
Global equities	0.26	1.00		
High yield bonds	0.28	0.84	1.00	
US aggregate bonds	0.23	0.41	0.52	1.00

Source: Bloomberg. Returns from 30.06.2015 to 30.06.2025. The performance figures shown are those of the existing underlying fund and are expressed in USD. Volatility is calculated on a monthly basis.
 ILS: Swiss Re Catastrophe Bond TR Index, Global Equity: MSCI Daily TR Gross World USD, High Yield bonds: iBoxx USD Liquid High Yield Total Return Index, US Aggregate Bonds: Bloomberg US Aggregate Index. There are important limits to the comparison. This correlation analysis and comparative return chart highlight the relationship between catastrophe bonds and the performance of global equities, high-yield bonds, and US aggregate bonds, thereby enabling an assessment of their risk and return profile relative to these classes. There is no guarantee that an investment objective will be achieved or that a return on capital will be obtained. The product does not benefit from any guarantee to protect the capital.

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Atropos Fund Performance – B USD share

Annualized returns (%)	3 years	5 years	10 years	Since inception ¹
Portfolio**	13.29	8.62	6.03	6.21

Per period (%)	YTD	2024	2023	2022	2021	2020
Portfolio**	10.65	15.10	14.22	-0.41	4.37	6.92

Note: The returns shown above are provided for illustrative purposes only and represent the U.S. dollar-denominated series returns of the underlying fund. They exclude currency conversion effects, as well as operating and management fees. The Optimum Element ILS fund will be denominated in CAD.

¹ Inception date of Atropos Fund: 31.08.2011.

^{**} Source: SCOR Investment Partners, as of 31.12.2025. Performance is net of fees and is based on net asset values adjusted to swing pricing. Past performance is not a reliable indicator of future performance and performance is not constant over time. Performance does not include performance of Tracking Shares. The past performance does not predict the future performance of the fund. There is no guarantee that the investment objective of the fund will be reached.

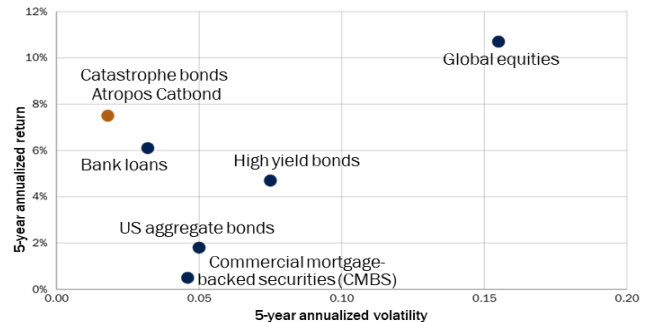
Risk indicators

Since inception	B USD share
Annualized volatility ¹	2.72%
% of positive months	91.91%
Worst negative month	-7.03%
Maximum drawdown	-7.03%
Time to recovery	730 days

Source: SCOR Investment Partners (underlying fund data).

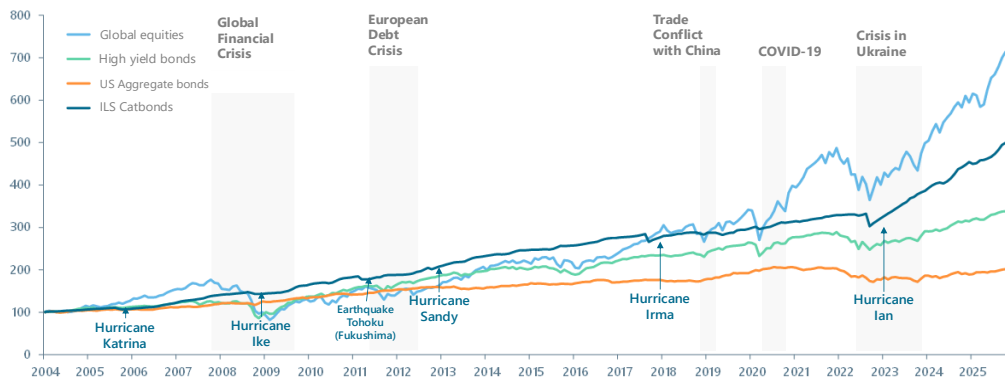
¹ Based on monthly returns. The fund's volatility may not solely reflect that of the securities held in the portfolio due to the application of the swing pricing mechanism.

Superior risk-return profile



Source: Bloomberg. Risk-adjusted returns in USD from 30/09/2015 to 30/09/2025. Volatility calculated on a monthly basis.

Monthly performance indexed to 100 from January 2004 to December 2025



Source: Bloomberg, data as of 31.12.2025. Indices: ILS Catbond (Swiss Re Catastrophe Bond TR Index), Global Equity (MSCI Daily TR Cross World USD), High Yield bonds (iBoxx \$ Liquid High Yield Index), US Aggregate Bonds (Bloomberg US Aggregate Index).

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Atropos Fund characteristics – B USD share

Number of lines	338
Average coupon ¹	8.07 %
Currency hedging	Yes
Yield to maturity (YTM)	9.42%
Average maturity	499 days
Annual expected loss	2.70%
1 year VaR 95% ²	16.58%
1 year VaR 99% ²	37.45%

Source: SCOR Investment Partners (underlying fund data).

¹ Calculated on the nominal value of the invested portfolio.

² Internal model, using RMS MIU, excluding coupons.

Breakdown per main peril/region

	% NAV ³
US wind	69.84
US earthquake including California	54.69
US earthquake excluding California only	47.11
Japan wind	5.20
Japan earthquake	6.22
Europe wind	8.55

Source: SCOR Investment Partners (underlying fund data).

³ Nominal exposure in % of net asset value. Total is above 100% due to multi-peril transactions.

Breakdown by instrument

Breakdown by instrument	% NAV
Catastrophe bonds	70.66
Collateralized reinsurance contracts	26.86
Cat bond lite	0.04
Cash & money market	2.44
Breakdown per sequence	% NAV
Occurrence, 1 st event	62.34
Occurrence, 2 nd event	0.88
Aggregate	32.45
Various	1.88
Cash & money market	2.44
Breakdown per trigger type	% NAV
Indemnity	59.77
Industry losses	35.60
Parametric	2.10
Modelled losses	0.00
Multi-trigger	0.09
Cash & money market	2.44

Source: SCOR Investment Partners (underlying fund data).

Who we are

Optimum Asset Management is an asset management firm that serves institutional and private clients. The firm is held by Optimum Financial Group, a private Canadian group with an international presence and over 700 employees across Canada, the United States and France.

Our creativity and market knowledge allow us to develop diversified strategies based on reliable quantitative and fundamental research, as well as modern technologies. Our portfolio management services are founded on extensive experience that guarantees consistent quality. Our value approach enables us to offer sophisticated investment strategies with a focus on capital preservation and risk management.

Contact



info@optimumgam.ca



optimumgam.ca



514 288-7545



425, de Maisonneuve Blvd. West
Suite 1620
Montréal (Québec) H3A 3G5

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