

27. May 2019

## Event Report: Earthquake Peru

On the morning of May 26, 2019 (7:41 UTC) a severe earthquake occurred in Central Peru. According to the U.S. Geological Survey (USGS) half a million people were exposed to severe shaking and close to 7 million felt moderate shaking

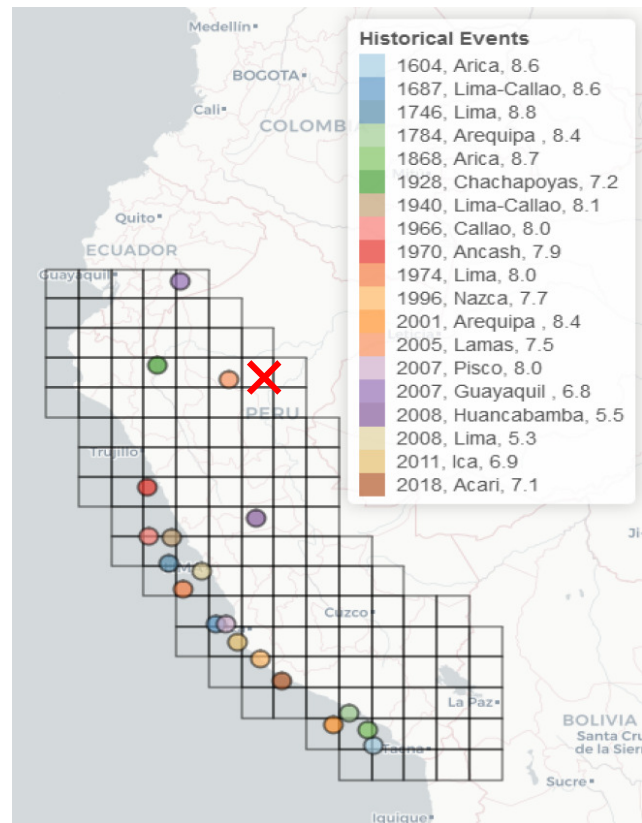
**The earthquake is not expected to have an influence on the Solidum Funds.**

The earthquake occurred in a depth of 110 km within the Nazca Plate which subducts below the South America Plate at a speed of 7 cm/yr. Most of the major quakes in Peru are located off the coast at the Peru/Chile Trench, but tremors inland are not uncommon. During the last three decades three 7+ earthquakes happened within a 250 km radius of yesterday's event.

Early reports fortunately mention only a limited number of persons harmed. USGS estimates economic losses at several 100 Million USD. At this level, no significant impact on the reinsurance market should be expected.

However, the state of Peru participated in a cat bond programme organized through the World Bank that aims at fast capital support following an event to quickly rebuild affected infrastructure. On the basis of the published event parameters this cat bond is expected to suffer a 30% loss of its USD 200 Million principal.

The Solidum Funds did not participate in this programme because compensation was considered to be insufficient for the risk of the bond.



Relevant historical earthquakes in Peru and the Mw 8.0 tremor of 26.5.2019 (red cross).

The portfolio management team remains at your disposal for any additional questions.

Kind regards  
 The Solidum Management Team