

October 9, 2026

Event Report: Hurricane Isaias

Tropical Storm Isaias formed in the southwestern Gulf of Mexico overnight on October 7, becoming the ninth named storm and the first hurricane of the 2026 Atlantic hurricane season. Following an unusually quiet season to date, Isaias represents the first significant threat to the US mainland.

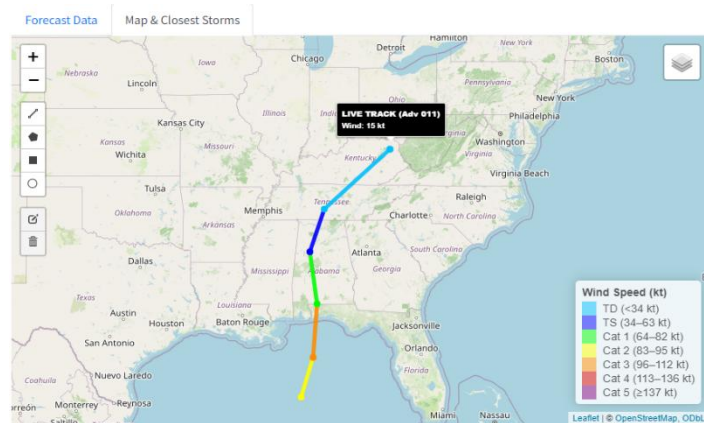
On Thursday night, Isaias strengthened into a Category 2 hurricane. By Friday morning, it had sustained wind speeds of 110 mph (approximately 177 km/h) and a central pressure of 963 millibars, placing it just below the threshold for Category 3 intensity. The National Hurricane Center (NHC) considers it likely that Isaias will strengthen into a Category 3 hurricane later today.

Below, we present an excerpt from our proprietary “Cockpit” model.

Meteorological Outlook

At landfall: Dry air and wind shear are expected to weaken Hurricane Isaias, with landfall currently forecast for Friday night as a strong Category 2 hurricane.

However, a landfall as a low-end Category 3 hurricane cannot be entirely ruled out at this stage.



Forecast

The chart above illustrates the projected path of the hurricane based on forecast data from NOAA’s National Hurricane Center (NHC), with significant support in this case from the AI tool DeepMind. These inputs feed into an advanced stochastic model that analyses hurricane scenarios based on a 10,000-year simulation and quantifies the potential losses associated with exposed positions in the affected region.

The red diamond indicates the most likely area of landfall. Based on the hurricane’s physical parameters, the corresponding scenarios are identified and the potential losses across the various portfolios are calculated.

Although these estimates are subject to a degree of uncertainty, this methodology enables us to rapidly assess the situation and initiate further analysis of potentially affected positions where warranted.

Based on data available as of Friday midday, we estimate total industry losses in the high single-digit billions of US dollars.

Confirmed Geographic Filter Area:



Impact on Solidum Funds

At present, we do not expect Hurricane Isaias to have a negative impact on the Solidum funds.

Even if industry losses were to be materially higher than currently anticipated, losses below USD 20 billion would not be expected to have any material adverse impact on the funds.

Should our assessment change materially, we will inform you as promptly as possible.

The Solidum team remains available should you require any further information.

Solidum Partners

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