

Net Asset Value¹

EUR I-P ACC HED	933.87
EUR I DIST HED	843.50
EUR I-P DIST HED	857.29
EUR I ACC	1028.03
EUR I-P ACC	1107.51

Investment Objective

The Tenax ILS UCITS Fund aims to achieve a long-term risk adjusted absolute rate of return and capital growth from investments in insurance-linked securities, being primarily catastrophe (cat-) bonds. Investment in the fund puts your capital at risk and past performance is not a reliable indicator of future results.

Fund Information

Investment Manager	Tenax Capital Ltd
Manager	Bridge Fund Management Limited

EUR Class I-P Acc Hedged - Monthly Performance %

IE00BDVK6S99

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	0.37	0.78	-0.54	-0.50	-0.08	0.56	0.96	1.20	0.99	0.37	-0.25	0.21	4.12
2021	0.00	0.74	-0.15	0.14	0.07	0.09	0.13	0.67	0.25	1.02	0.14	0.09	3.23
2022	0.08												0.08

Structure	UCITS
Domicile	Ireland
Launched	9th June 2017
Base Currency	EUR
Liquidity	Fortnightly

EUR Class I Dist Hedged- Monthly Performance %²

IE00BDVK6Q75

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	0.35	0.75	-0.57	-0.52	-0.10	0.53	0.94	1.17	0.99	0.35	-0.28	0.18	3.77
2021	-0.03	0.71	-0.17	0.12	0.04	0.06	0.12	0.65	0.22	0.99	0.11	0.07	2.92
2022	0.06												0.06

Auditor	Deloitte
Legal Advisor	Dillon Eustace
Administrator	CACEIS Ireland Limited
Depository	CACEIS Bank, Ireland Branch

EUR Class I-P Dist Hedged - Monthly Performance %²

IE00BDVK6V29

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	0.37	0.78	-0.54	-0.50	-0.08	0.56	0.96	1.20	0.99	0.37	-0.25	0.21	4.08
2021	0.00	0.74	-0.15	0.14	0.07	0.09	0.13	0.67	0.25	1.02	0.14	0.09	3.23
2022	0.09												0.09

EUR Class I Acc Non-Hedged - Monthly Performance %

IE00BDVK6P68

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	0.53	3.15	0.86	-2.02	0.60	-2.31	-0.79	-1.25	0.53	1.47	-1.14	-2.53	-3.02
2021	1.25	0.62	1.68	-0.50	-1.02	2.67	0.52	1.66	-0.19	2.00	2.46	0.44	12.64
2022	-0.53												-0.53

EUR Class I-P Acc Non-Hedged - Monthly Performance %

IE00BDVK6T07

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	0.41	2.49	0.69	-1.63	0.47	-1.95	-0.84	-1.32	0.48	1.42	-1.20	-2.59	-3.65
2021	1.17	0.55	1.63	-0.10	-1.04	2.70	0.53	1.69	-0.17	1.63	2.03	0.40	11.51
2022	-0.50												-0.50

Fund Performance

The fund started the year on a positive note. There was a general decline in market prices because of rising yields, especially for bonds covering US wind, but the interest we accrued on our current positions was more than enough to compensate for the decline, leaving us with a positive return for the month. Another key contributor to the monthly performance was the lack of exposure to the partial default of a modelled-loss triggered bond covering wind in the Philippines. We have always been extremely selective on modelled loss and parametric triggers as, despite the transparency of these structures, situations of material discrepancy between actual damages and bond losses have not been uncommon. We participated in a large index trigger deal exposed to US wind and earthquake sponsored by Validus, part of the AIG group, which makes about 3.75% of our portfolio. We declined to participate in a health (medical benefits) bond as we still prefer to remain out of the life market. In a particularly active secondary market, we increased our exposure to US and Europe peak perils through index trigger bonds, although with a focus on short maturities in order to be able to reinvest shortly as risk premiums increase. We have no updates to report on our position potentially impacted by Hurricane Ida, where the expected ultimate net loss remains close to the trigger level, but stable over the last few monthly reports. We expect a busy Q1 on the primary side, especially if US sponsors fear that capacity is thinner compared to recent year, in which case they will test the market well ahead the next wind season.

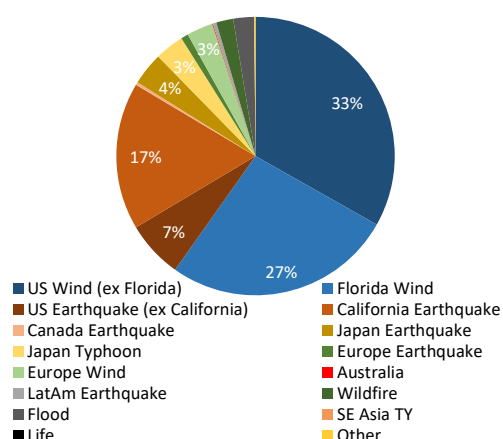
¹ Values as of January 21, 2022. All figures are stated on a net basis

² The performance includes cash dividend distributions

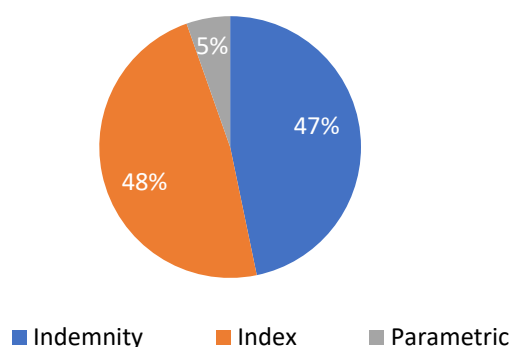
Market Update

January kicked off the 2022 renewal season, with markets anticipating a challenging year for underlying reinsurers after an active 2021. Property Cat premiums took double-digit rate increases, with loss affected business taking significantly higher rates. The high number of sellers in the cat bond secondary market suggests that the improved pricing will filter through to the cat bond market ahead of renewals in the coming months. January was very quiet in terms of new issuances. Vitality Re was the only issuer with an aggregate indemnity Life deal, in what is a recurring issuance from the sponsor Aetna. There has been some noise around winter storms in the USA during January, however, we don't anticipate any impact on the ILS market. Calculations after Typhoon Rai struck the Philippines in December 2021 showed that the bond, structured with a modelled loss trigger, was due to pay at least 35% of its face value to the ultimate sponsor, the Government of the Philippines, in what can be quantified as a 20bps event for the entire market. We expect the new issuances to kick off in February, and we will continue to provide updates in future newsletters.

Expected Loss Contribution



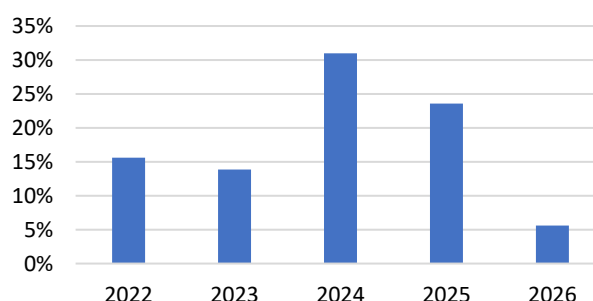
Trigger Structure Type



Portfolio Summary

Number of Positions	124
Yield to Maturity	4.99%
Modeled ³ Expected Loss	2.67%
AUM, EUR million	62.4

Maturity Profile



Investment Manager

Massimo Figna

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Marco della Giacoma

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³ Modeled expected loss as calculated at issuance from the relevant risk modeling firm (RMS, AIR, CoreLogic)

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The Fund is organised under the laws of Ireland and authorised by the Central Bank of Ireland as UCITS for the purposes of the UCITS Regulations. Investment in the fund is only open to ‘Qualified Investors’, as defined in the Fund Prospectus. Any decision to invest must be based solely on the information contained in the Company’s Prospectus, Key Investor Information Document and the latest half-yearly report and unaudited accounts and/or annual report and audited accounts. Investors should read the fund specific risks in the Key Investor Information Document and the Company’s Prospectus, which are available from the Investment Manager.

In providing the information, no action has been taken to qualify any potential investor, in any jurisdiction, including without limitation in the United States under the Securities Act of 1933 or the US Investment Company Act of 1940. The Fund’s shares are not, and will not be registered under the US Securities Act of 1933, as amended, or qualified under any applicable state securities statutes. The Funds are not, and will not be registered as investment companies under the US Investment Company Act of 1940, as amended.

Past performance is not indicative of future results. The value of your investment may go down as well as up, and you may not receive upon redemption the full amount of your original investment. Participation in the Fund(s) should only be made by persons with experience of participating in unregulated schemes and any other person who receives this document should not rely upon it.

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www.tenaxcapital.com

Please visit our website where you can obtain further information about Tenax Capital and the Tenax ILS UCITS Fund, including downloads of previous newsletters.

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