

Net Asset Value per Share <sup>1</sup>		Investment Objective													
EUR I-P ACC HED	868.99	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.													
EUR I DIST HED	783.27														
EUR I-P DIST HED	797.73														
EUR I ACC	1092.28														
EUR I-P ACC	1170.01														
Fund Information		EUR Class I-P Acc Hedged - Monthly Performance %										IE00BDVK6S99			
Investment Manager	Tenax Capital Ltd	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
	Bridge Fund	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
Manager	Management	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
	Limited	2022	0.08	0.21	0.08	0.04	-0.30	-0.83	0.14	0.30	-6.59				-6.87
Structure	UCITS	EUR Class I Dist Hedged- Monthly Performance % <sup>2</sup>										IE00BDVK6Q75			
Domicile	Ireland	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
Launched	9th June 2017	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
Base Currency	EUR	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
Liquidity	Fortnightly	2022	0.06	0.18	0.05	0.01	-0.33	-0.87	0.12	0.27	-6.62				-7.09
Auditor	Deloitte	EUR Class I-P Dist Hedged - Monthly Performance % <sup>2</sup>										IE00BDVK6V29			
Legal Advisor	Dillon Eustace	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
Administrator	CACEIS Ireland	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
	Limited	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	0.21	0.08	0.04	-0.30	-0.83	0.14	0.30	-6.59				-6.87
Depository	CACEIS Bank, Ireland Branch	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	0.08	2.32	2.20	1.40	0.01	3.50	0.91	-4.15				5.69
		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	0.10	2.09	2.26	0.60	-0.02	2.98	0.82	-3.18				5.12

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WINNER



### Fund Performance

The Fund took a hit from Hurricane Ian and posted negative performance across all share classes, but overperformed the Swiss Re Index by 2.23%. Within our portfolio, about USD 5m has been marked down at default, with an additional USD 3m pushed in distressed territory. Our preference for index over indemnity trigger bonds helped to avoid taking a higher share of losses. In general, all cat bonds have declined, even the ones not exposed to hurricane, as this reflects the usual attempt to raise liquidity to be invested in an opportunistic way in a post-event scenario. We note that bond valuations so far are the results of various models' estimated losses. In the coming weeks actual claims will begin to be filed by policyholders which ultimately will define the exact amount of reinsurance and cat bond losses. Until then, we expect uncertainty and volatility to remain persistent and secondary trades on Ian exposed bonds to be very limited. From a trading perspective, we took advantage of some "liquidity bid" to invest in short term paper at +20% yields. Considering our assessment of the Fund true yield, adjusted for expected recovery values and defaults, we model a full recovery within 12-18 months. We will provide ad-hoc updates once actual claims estimates will be made available to the team.

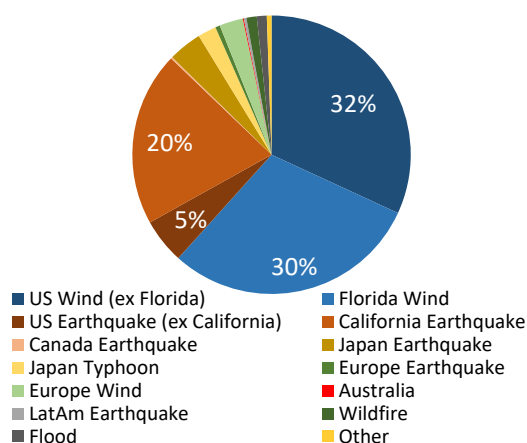
<sup>1</sup> Values as of September 30, 2022. All figures are stated on a net basis

<sup>2</sup> The performance includes cash dividend distributions

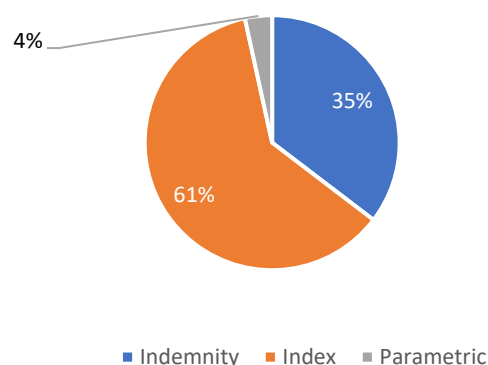
## Market Update

September is the peak month of the Atlantic Hurricane season, and on September 28th Hurricane Ian made landfall in the Southwest of Florida as a Cat4 Hurricane. It was the first hurricane to make landfall in the 2022 season, and wind speeds topped 155mph, just two miles per hour off the Cat5. It is still too early to establish precise industry losses, with early estimates ranging from \$20-80bn, with the consensus being in the \$50-70bn range. Despite the severity of the event, the storm track eventually missed Tampa, which would have contributed to much higher industry losses. The storm also hit South Carolina as a Cat1 storm, where the industry loss contribution is expected to be in the low single digit region. A \$50bn event will put several indemnity deals in the spotlight, especially those covering flood and wind, but initial estimates suggest the majority of index-trigger deals will avoid material losses. Hurricane Ian pushed the market to the worst monthly performance on records, with the Swiss Re Index declining by 8.82% and erasing more than 2 years of market returns. This event will contribute to materially higher for longer yields in ILS, adding to the already significantly high levels. Trading on affected bonds was close to none, with just one flood related name trading at 80 a few days before landfall. Many players offered non-affected bonds (earthquake, non-US perils) at discount in order to raise liquidity, others tried to offload risky bonds in the 50s, but no buyers emerged here. The outlook for insurance buyers in Florida remains bleak, and insurers are starting to announce significant premium increase for next renewals.

### Expected Loss Contribution



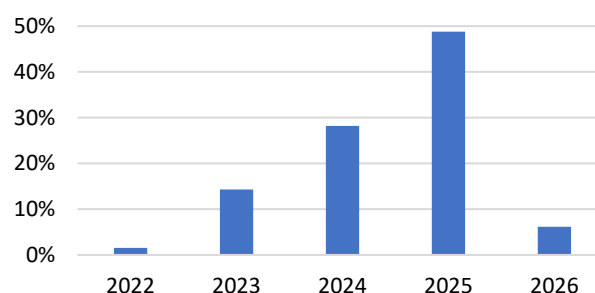
### Trigger Structure Type



### Portfolio Summary

Number of Positions	140
Yield to Maturity	11.4%
Modeled <sup>3</sup> Expected Loss	2.58%
AUM, EUR million	89.2

### Maturity Profile



### Investment Manager

Massimo Figna

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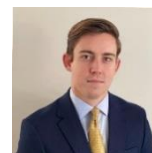
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<sup>3</sup> Modeled expected loss as calculated at issuance from the relevant risk modeling firm (RMS, AIR, CoreLogic)

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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.

This is a marketing communication. Please refer to the Tenax ILS UCITS Fund prospectus supplement and to the Key Investor Information Document (KIID) before making any final investment decisions. A copy of the English version of the prospectus of the Fund and where relevant the KIID relating to the Fund may be obtained online from <http://www.tenaxcapital.com/> or alternatively obtained via email upon request by contacting the Head of Compliance & Risk at [blagden@tenaxcapital.com](mailto:blagden@tenaxcapital.com). A summary of investor rights associated with an investment in the Fund is available online in English at <http://www.tenaxcapital.com/> or it may be obtained upon request via email by contacting [blagden@tenaxcapital.com](mailto:blagden@tenaxcapital.com). A decision may be taken at any time to terminate the arrangements made for the marketing of the Fund in any EEA Member State in which it is currently marketed. In such circumstances, Shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the Fund free of any charges or deductions for at least 30 working days from the date of such notification.

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**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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