

### Net Asset Value<sup>1</sup>

EUR I-P ACC HED	934.07
EUR I DIST HED	842.85
EUR I-P DIST HED	857.47
EUR I ACC	1090.95
EUR I-P ACC	1164.18

### 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	0.21	0.08	0.04	-0.30								0.11

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

### EUR Class I Dist Hedged- Monthly Performance %<sup>2</sup>

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	0.18	0.05	0.01	-0.33								-0.06

Auditor	Deloitte
Legal Advisor	Dillon Eustace
Administrator	CACEIS Ireland Limited

### EUR Class I-P Dist Hedged - Monthly Performance %<sup>2</sup>

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	0.21	0.08	0.04	-0.30								0.11

Depository	CACEIS Bank, Ireland Branch
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### 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								5.56

### 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								4.59

### Fund Performance

May is, historically, a weak month for ILS, as primary activity peaks and the US hurricane season is about to start. The continuous market hardening we have been reporting for the last few months pushed yields even higher, resulting in the fund suffering the first monthly negative performance since March 2021 (hedged classes). Whilst this is not welcome, we note that thanks to these dynamics the fund is now running at a substantially higher yield compared to the recent past, with no additional catastrophe risk. We kept declining US wind deals where risk fundamentals did not pass our minimum standards, regardless of the pricing attractiveness, while we were happy to build large positions on what we perceived to be a solid risk/reward. We increased our exposure to reinsurers' index bonds mainly through Scor and Trans Re new issuances and Everest Re and Convex on the secondary market. We decided not to invest in the Southern Fidelity debut bond and in the Texas Windstorm Insurance Association renewal. The first appeared to us as a last-minute attempt to secure capacity on risks that could have not been placed on the traditional market, while on the second we had general concerns on construction quality in Texas. It is worth mentioning our investment in the Florida Citizen transaction, as this is usually what the market considers the benchmark for Florida risk. We expect seasonality and widening spreads to continue weighting on bonds until the hurricane season enters its key phase, and we will take this as opportunistic buying opportunity.

<sup>1</sup> Values as of May 20, 2022. All figures are stated on a net basis

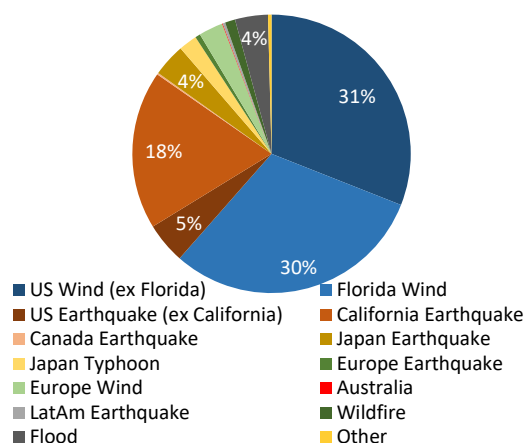
<sup>2</sup> The performance includes cash dividend distributions



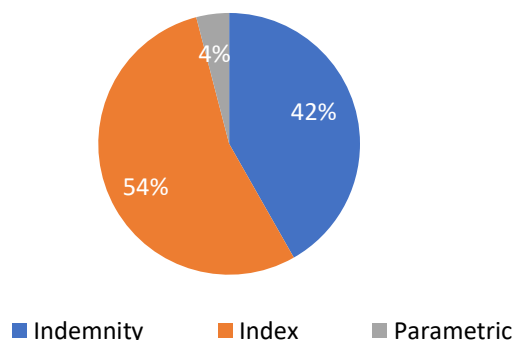
## Market Update

May was a busy month for new issues, with 13 deals coming to the market, including first-time and repeat issuers. In the aggregate, just over \$2,697m was issued. The largest deals were those from repeat issuers, Travelers and USAA, with bonds sized at \$575m and \$430m, respectively. A deal from a new sponsor, the Florida based carrier Southern Fidelity, failed to issue, which highlighted stricter investor appetite towards new entrants with Florida exposure. Apart from the failed Southern Fidelity, there was one new issuer, SureChoice Underwriting, covering named storms in Texas, Louisiana, Alabama, and Mississippi. From a macro perspective, global insurance markets (especially those with Florida wind exposure) continued to show signs of strain. With carriers struggling to get their reinsurance cover in place before the typical 1st of June renewal, we saw several deals with a very tight marketing timeframe, far shorter than usual. At the time of writing, many (re)insurers are struggling to fill their reinsurance towers, with market sources suggesting that capital strength will support carriers who were unable to purchase adequate retrocessional cover. Pricing in May was materially higher year on year in pockets of the market, namely in Florida, with pricing often settling above the top-end of guidance. The 1st of June marks the first day of the US hurricane season, and both future pricing and performance will be driven by the next five months. Forecasting agencies point to an above-average season. The market average from eight of the major agencies suggests there will be 19 named storms, 8 hurricanes, and 4 major hurricanes (versus the 2012-2021 average of 17 named storms, 7 hurricanes and 3 major hurricanes). We will continue to update you on both deals issued in June and any hurricane activity material to ILS investors.

### Expected Loss Contribution



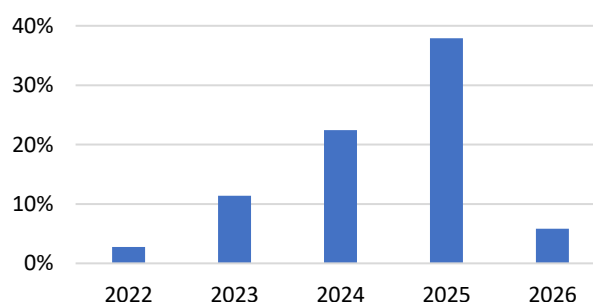
### Trigger Structure Type



### Portfolio Summary

Number of Positions	137
Yield to Maturity	7.10%
Modeled <sup>3</sup> Expected Loss	2.71%
AUM, EUR million	79.2

### Maturity Profile



### Investment Manager

Massimo Figna

figna@tenaxcapital.com



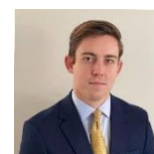
Marco della Giacoma

dellagiacoma@tenaxcapital.com



Toby Pughe

tpughe@tenaxcapital.com



<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.

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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.**

## **TENAX CAPITAL LTD**

**Registered Office:** Dominican House, 4 Priory Court, Pilgrim Street, London EC4V 6DE, United Kingdom

**Telephone:** +44 20 7003 8700

**Fax:** +44 20 7003 8701

**Url:** [www.tenaxcapital.com](http://www.tenaxcapital.com)

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