

Net Asset Value per Share <sup>1</sup>		Investment Objective												
EUR I-P ACC HED	1042.40	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	903.69													
EUR I-P DIST HED	868.75													
EUR I ACC	1208.10													
EUR I-P ACC	1288.65													
Fund Information		Investment Objective												
Investment Manager Tenax Capital Ltd		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.												
Manager Bridge Fund Management Limited		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.												
Structure UCITS		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.												
Domicile Ireland		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.												
Launched 9th June 2017		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.												
Base Currency EUR		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.												
Liquidity Fortnightly		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.												
Auditor Deloitte		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.												
Legal Advisor Dillon Eustace		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.												
Administrator CACEIS Ireland Limited		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.												
Depository CACEIS Bank, Ireland Branch		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.												
Historical annual performance <sup>3</sup>		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.												
2023: +17.90%		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.												
2022: -5.24%		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.												
2021: +3.23%		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.												
2020: +4.12%		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.												
2019: -0.54%		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 Performance

The Fund closed the year with a record high performance, placing it as the best fund in 2023 and on a 3-year basis (see charts attached). We capitalised on a positive year thanks to our portfolio positioning and bond selection process throughout the year. Our call to overweight industry loss trigger bonds in the aftermath of Hurricane Ian has proven instrumental in capturing both the upside potential embedded in many mispriced names, and the generous new issuance premia available during Q1. We also avoided the largest defaults of the year, which occurred on bonds we chose not to participate in at issuance. Attractive yields continue to be chased by investors, and this is leading to tighter new issues. For this reason, in December we declined most of the new bonds, particularly European perils, where we believe models provide an overly aggressive view of risk. We instead maximised our investment on a couple of new US peak peril deals with an index trigger, and rolled over and increased our position in the indemnity aggregate Progressive bond, issued again as a 1yr discount note at 77%. We also invested in the first Beazley bond,

<sup>1</sup> Values as of December 29, 2023. All figures are stated on a net basis

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

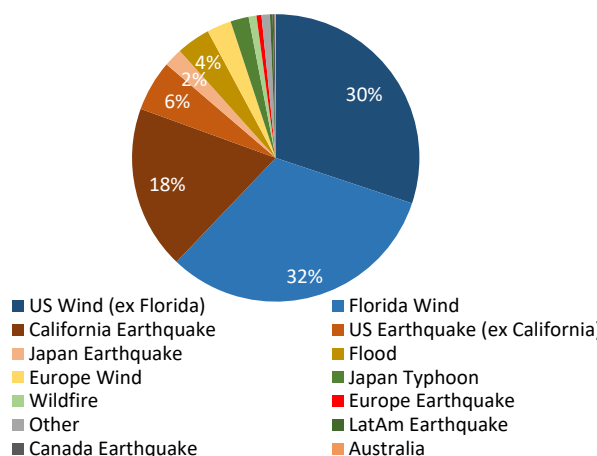
<sup>3</sup> Performance refers to ISIN IE00BDVK6S99 only since it is the most representative share class

covering North America wind and quake on an indemnity basis at 1000bps spread. We continue to stay out of the new cyber deals as we build our knowledge and view of this risk.

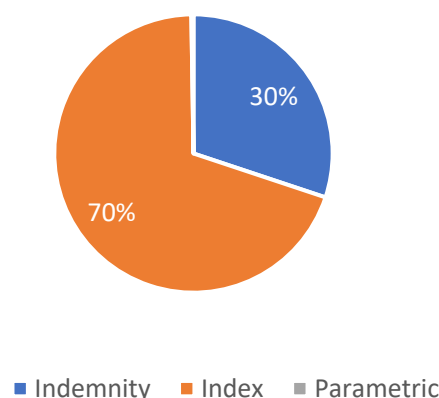
### Market Update

December brought a close to a record-breaking year for the catastrophe bond, with 95 transactions closing in 2023, and 19 coming in December alone. Total gross issuance surpassed the previous record year, 2021, by around \$2.5 billion, bringing the total to \$16.4 billion (\$15 billion of which were 144a). The market grew an impressive 19% this year and now stands at around \$45 billion. Five new sponsors entered the market in December, bringing the number of first-time sponsors to 14, equalling the previous record set in 2021. Although spreads have continued to tighten into year-end, the market remains very attractive from both pricing and terms and conditions perspectives. Expectations in the retro market are that the January 2024 renewals will be, at worst, flat year on year, with loss-making business taking significantly higher rates. The return of the Swiss Re Cat Bond Index (ticker: SRCATRR) was 20.05% for the year, again surpassing all previous records by a significant margin. Although peak spreads are now in the rear-view mirror, major capital flow has yet to reach the cat bond market, so we can say with a reasonable degree of confidence that material spread tightening isn't on the immediate horizon. All in all, 2023 will be viewed as one of the best cat bond markets since its inception in the '90s, with 2024 expected to be the beneficiary of improved terms and conditions, higher attachment points, and solid underwriting discipline.

### Expected Loss Contribution



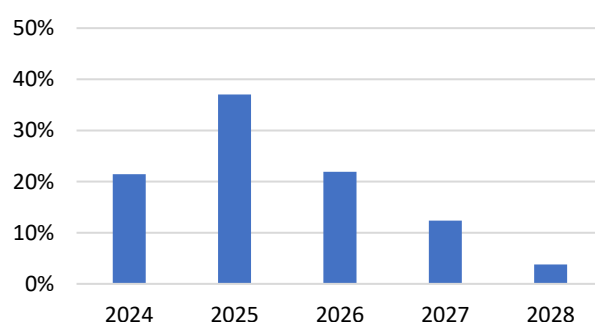
### Trigger Structure Type



### Portfolio Summary

Number of Positions	129
Yield to Maturity	13.5%
Average Mid Spread	7.9%
Collateral Return	5.1%
Modeled <sup>4</sup> Expected Loss	2.76%
AUM, EUR million	97.6
Average Life	1.5 years

### Maturity Profile



### Investment Manager

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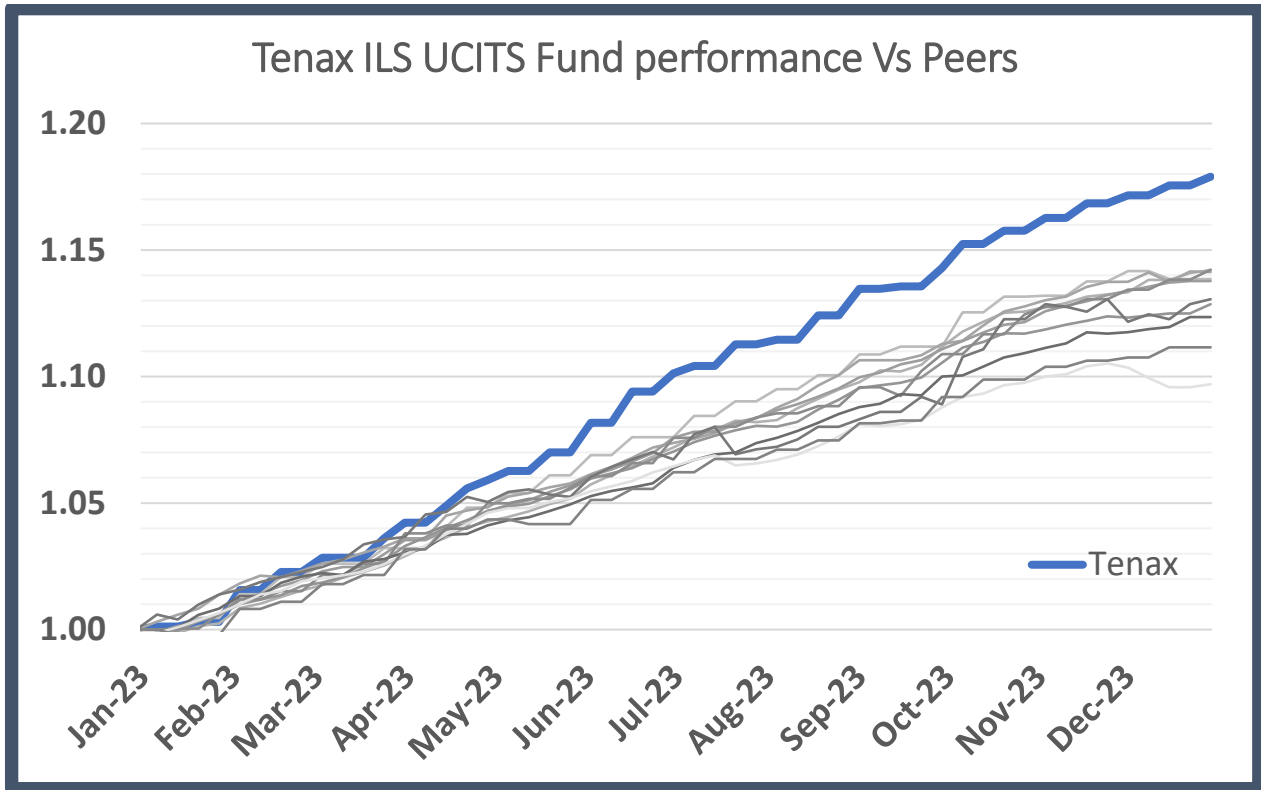


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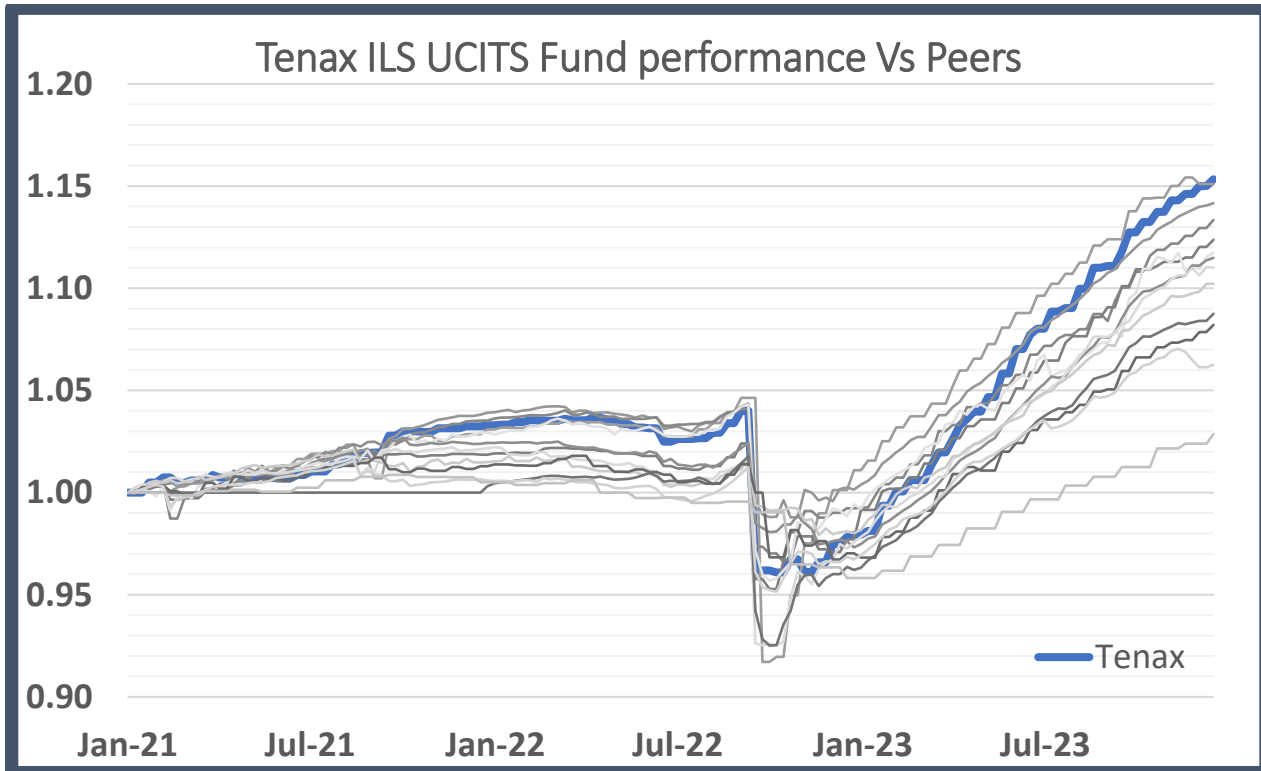


<sup>4</sup> Modeled expected loss as calculated at issuance from the relevant risk modeling firm (RMS, AIR, CoreLogic)

## FY 2023



## Last 3 years



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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.

For Australian Wholesale Investors

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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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