

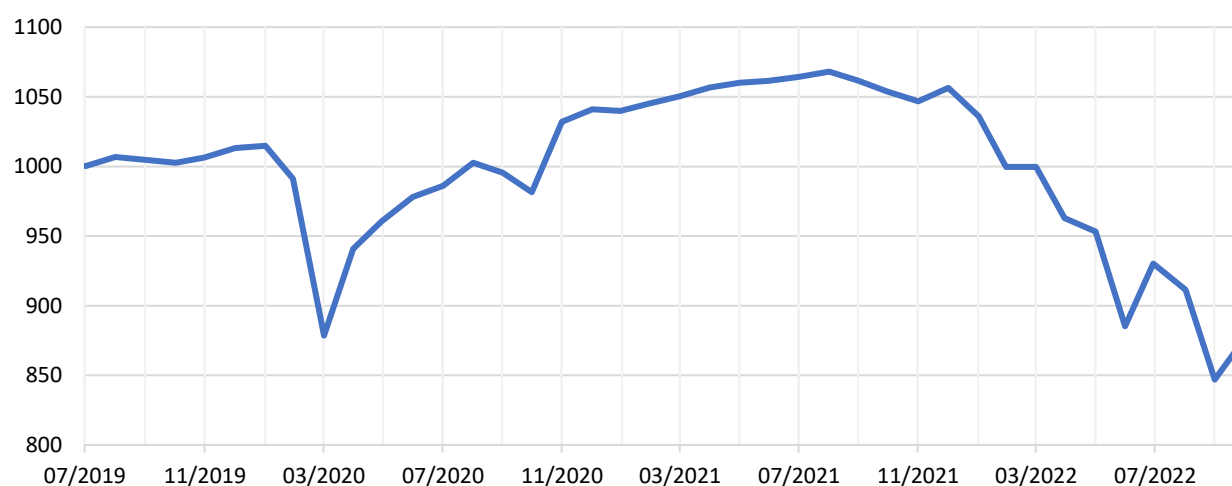
Tenax Dynamic Income Fund

October 2022 Monthly Factsheet

ISIN: IE00BJ1F4K40



Performance		Portfolio Summary		Calendar year performance	
1 m	3,52%	Positions	71	2019	1,55%
3 m	-5,50%	Current Gross Yield	12,57%	2020	6,10%
Ytd	-16,57%	Average Coupon	4,19%	2021	3,13%
1 Year	-16,19%	Duration	3,84		
2 Years	-8,42%	AUM	22,9		
3 Years	-7,80%				
Since inception	-7,34%				



Monthly Commentary

October was the second-best month after July on a total return basis for European credit, including IG, HY and hybrids. A mix of factors contributed to the positive performance. Despite rates having moved marginally higher, rates volatility has remained range bound, helping IG and HY spreads to tighten from the peak of mid-October. Spreads were also supported by an overall positive Q3 reporting season, where we saw most of the issuers under our coverage meeting or beating consensus estimates and at the same time confirming or upgrading guidance for Q4. This triggered a material compression in spreads as the earning season went on (HY: -53bps, IG -16bps) and encouraged some issuers to either tender their low cash price debt or to access the market with new deals. CoCos in particular were strongly bid and posted strong performance on the month, driven by compelling relative valuation versus HY and the expected positive impact on banks core business arising from higher nominal rates. Looking at our portfolio, a few special situations that had been weighting on the performance have started to improve, namely the Monte dei Paschi and Fosun exposure, driving over 10% of the monthly net return. Worth noting also the overperformance of the broader transportation segment, with issuers like Renault, Dana, Lufthansa and IAG contributing another 10% to the return. Our AT1 component exposure was responsible for about 40% of the monthly performance, while having a 28% weight overall. Last, the tender offer launched by Sappi on their '26 notes fuelled a rally on the entire curve, including our '28 bonds which alone contributed about 20bps in the month. On the detractor side, WeBuild bonds brought about 10bps negative contribution on the rumors that the company is having difficulties to complete some pre-Covid signed contracts due to surging costs. In terms of notable portfolio changes, we strengthened the barbell approach on AT1s, increasing exposure to both very short and very long calls and selling the belly of the curve. We opened a position in Faurecia, the French-global auto part supplier and we invested in the primary issuance from Fedrigoni, the Italian premium paper producer. After having spoken directly to the management, we also increased our position in WeBuild, taking advantage of the post-news weakness.

Top 10 largest issuers

SANTAN	4,47%
BBVASM	4,16%
UCGIM	3,83%
CASH_EUR	2,98%
IPGIM	2,78%
LHAGR	2,68%
FOSUNI	2,67%
ALVGR	2,61%
AMSSW	2,52%
AGSBB	2,49%

Top 10 performers

MONTE 5 ⅜ 01/18/28	0,20%
SAPSJ 3 ⅝ 03/15/28	0,20%
BBVASM 5 ⅞ PERP	0,18%
ISPIM 6 ⅞ PERP	0,16%
FOSUNI 5.95 01/29/23	0,16%
RENAUL 1 ⅛ 10/04/27	0,15%
SANTAN 3 ⅝ PERP	0,15%
GPK 2 ⅝ 02/01/29	0,14%
DAN 3 07/15/29	0,14%
UCGIM 6 ⅝ PERP	0,14%

Bottom 10 performers

IPGIM 3 ⅞ 07/28/26	-0,07%
CCL 1 10/28/29	-0,03%
SCOR 5 ¼ PERP	-0,03%
IPGIM 5 ⅞ 12/15/25	-0,02%
OPY 5 ½ 10/01/25	-0,02%
EDF 5 PERP	-0,02%
NETIM 5.1 09/28/31	-0,01%
AIG 1 ⅞ 06/21/27	0,00%
CB 0 ⅞ 06/15/27	0,00%
UQA 2 ⅞ 12/09/41	0,00%

Rating Allocation

AAA	0,00%
AA	1,43%
A	5,35%
BBB	19,32%
BB	64,70%
B	4,51%
CCC	0,67%
NR	1,04%
CASH	2,98%

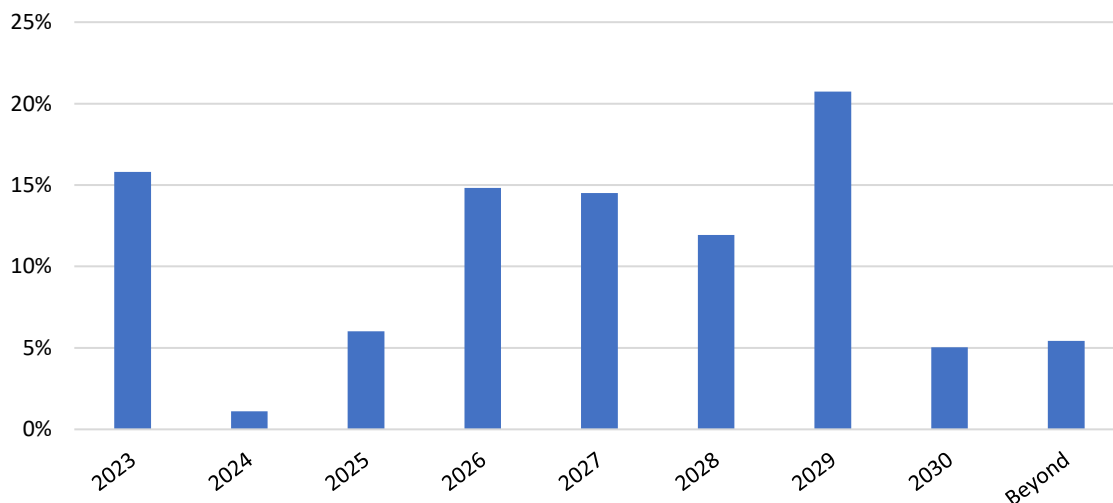
Sector Allocation

Banks	27,07%
Insurance	19,44%
Pharmaceuticals	4,58%
Airlines	3,98%
Auto Parts&Equipment	3,66%
Engineering&Construction	3,52%
Electric	3,41%
Packaging&Containers	3,27%
CASH_EUR	2,98%
Diversified Finan Serv	2,87%

Country Allocation

Italy	15,12%
Spain	14,96%
US	13,39%
Germany	11,95%
UK	8,64%
Netherlands	6,25%
France	5,76%
Austria	4,43%
China	2,67%
Belgium	2,49%

Maturity Profile



This financial promotion is issued by Tenax Capital Limited ("Tenax") which is authorised and regulated by the Financial Conduct Authority ("the FCA"). The Tenax ILS UCITS Fund PLC is a Non-Mainstream Pooled Investment as defined in the Financial Conduct Authority's Handbook of rules and consequently this document is only made available to professional clients and eligible counterparties as defined by the FCA and also to persons of a kind to whom the Fund may lawfully be promoted by an authorised person by virtue of Section 238(5) of the Financial Services and Markets Act 2000, the Financial Services and Markets Act 2000 (Exemption) Order 2001 and COBS 4.12.1R. Any other person who receives this document should not rely upon it. The information contained herein (the "Information") is for illustration and discussion purposes only. It is not, and may not be relied on, as investment advice or as an offer to sell or a solicitation of an offer to buy any security, including any investment or any interest in any fund or other security. Nor is it to be construed as a marketing communication in any jurisdiction where Tenax is not authorised to conduct investment business.

The information is not sufficient to form a basis for deciding to make any investment. It does not contain material information which may be relevant to any decision to invest, including specific information pertaining to an investment in the relevant securities and important risk disclosures. There can be no assurance and no representation, express or implied, is made that the information is accurate. The information is provided as of the date indicated, is not complete, is subject to change, and no obligation is undertaken to revise or update it. Any offer or solicitation of any investment in any security may be made only by delivery of the relevant confidential offering documents. Past performance is not indicative of future results and the value of your investment may go down as well as up. There can be no assurance and no representation is made that the strategy will make any profit and a total loss of principal may occur.

Prior to making any decision to invest in any fund, you are advised to obtain the fund's offering documents, to perform your own independent review (in consultation with your own legal, tax, accounting and other advisors) of those materials, the fund, the fund manager as well as any performance data available to you. An investment in a fund may not be suitable for all investors. Any offer or solicitation of an investment in any securities may be made only to qualified investors in accordance with applicable law.

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 Dynamic Income 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. 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. 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.

www.tenaxcapital.com

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

TENAX CAPITAL LTD

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

Telephone UK: +44 20 7003 8700 Fax: +44 20 7003 8701 Email: info@tenaxcapital.com www.tenaxcapital.com

Telephone Italy: +39 02 87367 855

Registered in England and Wales No.5193344 Authorised and regulated by the Financial Conduct Authority