

# TENAX Dynamic Income UCITS FUND

Newsletter: 30 June 2025

## Investment Objective

The investment objective of the Fund is to achieve long-term capital growth and/or income from investments primarily in a broad, global, diversified portfolio of fixed income securities.

## Market Update

Global fixed income markets closed June 2025 navigating mixed macro, political and geopolitical signals. In the US, a resilient labour market and sticky core inflation reduced the likelihood of imminent Fed rate cuts. Renewed US-Iran tensions briefly impacted oil and risk sentiment, but markets stabilised quickly after a ceasefire was reached. Treasury yields remained volatile but within a tight range, while equities rotated towards defensives, with tech still buoyed by AI-driven demand. In the Eurozone, the ECB delivered another 25 bps rate cut, as expected, acknowledging inflation under control and fragile growth, with GDP forecasts around 0.9% for 2025 and PMIs remaining in contraction territory. EU government bonds benefited, with Germany 10 year moving lower to around 2.5%, and Italy 10 year near 3.7%. European High Yield continued to attract flows after the April outflows. The market seems to be comfortable with many of the tail risks to growth embedded in current trade and geopolitical tensions around the globe. Spreads were just lightly impacted by the flash military operations between Iran, Israel and the US, and quickly retraced to year to the date tightness as ceasefire was agreed. Cyclical and export driven firms too appear to price in a soft impact from the outcome of the new tariff regime, and most are trading at spreads inside pre "Liberation-Day". Primary market boomed in the second half of June, with several billions across the whole credit spectrum, including one of the busiest two weeks ever for EUR HY. The healthy cash balances helped to digest most new deals, with some issuers achieving attractive pricing, in our opinion.

## Commentary on the Fund Performance

In the context of tight spreads and high geopolitical uncertainty, we took the opportunity to selectively reduce portfolio risk, trimming high-beta and low-spread positions. Within our subordinated financial holdings, we rotated towards shorter duration and lower beta exposures, maintaining flexibility should market volatility pick up in the second half of the year. Among the corporate credit positions, top contributors were Viridien and OEG Finance, both of which benefitted from upward movement in oil prices, as well as ASK Chemicals and Adler Pelzer, which continued their positive momentum after reporting solid results last month. On the negative side, INEOS Quattro underperformed as portion of raw materials are linked to oil, while Telefonica was weighed down by ongoing M&A rumours. Amid the primary issuance bonanza, we remained disciplined in our search for value, with key success stories including new issues from Benteler, Skechers and Urbaser.

## Fund Performance<sup>1</sup>



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<sup>2</sup> Values as of June 30, 2025. All figures are stated on a net basis.

## Fund Information

Investment Manager	Tenax Capital
Manager	FundRock Management Company
Structure	UCITS
Domicile	Ireland
Launched	19 October 2021
Base Currency	EUR
Liquidity	Daily
Auditor	Deloitte
Legal Advisor	Dillon Eustace
Administrator	CACEIS Ireland Ltd
Depository	CACEIS Bank, Ireland Branch
Morningstar rating	★★★★★
Risk Reward Profile (1-7)	4
Sharpe Ratio	2.7
Annualised volatility %	2.5%

## Portfolio Summary

Number of Positions	51
Yield to Maturity	5.9%
Yield to Worst	4.9%
Average Coupon	5.4%
Duration	2.2
Average Credit Quality	BB
AUM, EUR million	17.4

## Net Asset Value per Share<sup>2</sup>

EUR A ACC HED	1,185.6
EUR A DIST	1,068.5
EUR I DIST HED	1,135.0

## Historical Annual Performance<sup>1</sup>

3 months:	2.2%
6 months:	3.4%
Year to Date:	3.4%
1 year:	9.3%
3 years:	35.3%
Since inception:	13.5%
2021: (fund inception Oct 2021)	0.4%
2022:	-12.2%
2023:	12.8%
2024:	10.8%

## Top 10 Positions

BOTS 0 07/14/25	7.6%
DBR 0 1/2 02/15/26	6.0%
ERSTBK 3 3/8 PERP	3.5%
SOLEIN 9 5/8 11/15/28	3.2%
IONCOR 7 7/8 05/01/29	2.5%
SABSM 5 3/4 PERP	2.5%
REPSM 3 3/4 PERP	2.4%
ASRND 4 5/8 PERP	2.4%
MOGOFI 9 1/2 10/18/26	2.4%
SANTAN 4 3/8 PERP	2.4%

## Sector Allocation

Banks	18.1%
Sovereign	14.6%
Insurance	12.9%
Chemicals	7.7%
Oil&Gas	4.5%
Oil&Gas Services	4.0%
Software	3.7%
Retail	3.7%
Machinery-Diversified	3.7%
Auto Parts&Equipment	3.6%

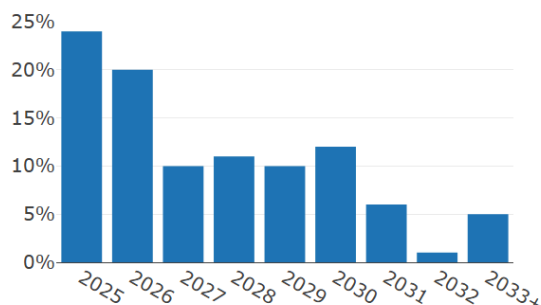
## Country Allocation

IT	21.6%
DE	12.0%
NL	11.1%
ES	11.0%
GB	9.7%
US	9.0%
LU	8.9%
FR	8.4%
AT	4.8%
BE	3.5%

## Rating Allocation

AAA	6.0%
AA	0.0%
A	2.1%
BBB	28.6%
BB	24.0%
B	35.3%
CCC	0.9%
NR	3.1%
CASH	0.0%

## Maturity profile



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## Monthly Performance by Share Class

### EUR Class A Acc Hedged (Ongoing charge: 1.25%)

IE00BG0W8035

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	4.15	-0.87	-2.02	0.93	0.5	0.94	2.2	-0.38	-0.89	0.27	4.1	2.7	12.1
2024	1.33	0.01	1.67	-0.14	1.37	0.21	1.53	0.6	0.85	0.54	0.96	0.74	10.1
2025	0.76	1.09	-0.80	-0.23	1.29	0.99							3.12

### EUR Class A Dist (Ongoing charge: 1.25%)

IE00BG0W8365

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	4.06	-0.88	-2.05	0.91	0.54	0.91	2.21	-0.36	-0.86	0.27	4.06	-1.02	7.84
2024	1.33	0.01	1.67	-0.14	1.37	0.20	1.53	0.60	0.85	0.54	0.96	0.74	10.1
2025	0.76	1.09	-0.80	-0.23	1.29	0.99							3.12

### EUR Class I Dist Hedged (Ongoing charge: 0.65%)

IE00BG0W8G91

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	4.2	-0.82	-1.97	0.97	0.56	0.99	2.28	-0.32	-0.84	0.32	4.14	2.79	12.77
2024	1.39	0.06	1.72	-0.08	1.42	0.25	1.59	0.65	0.90	0.59	1.01	0.79	10.77
2025	0.81	1.13	-0.75	-0.18	1.34	1.04							3.43

## Investment Management Team



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