

TENAX ILS UCITS FUND

Newsletter: 31 August 2025

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.

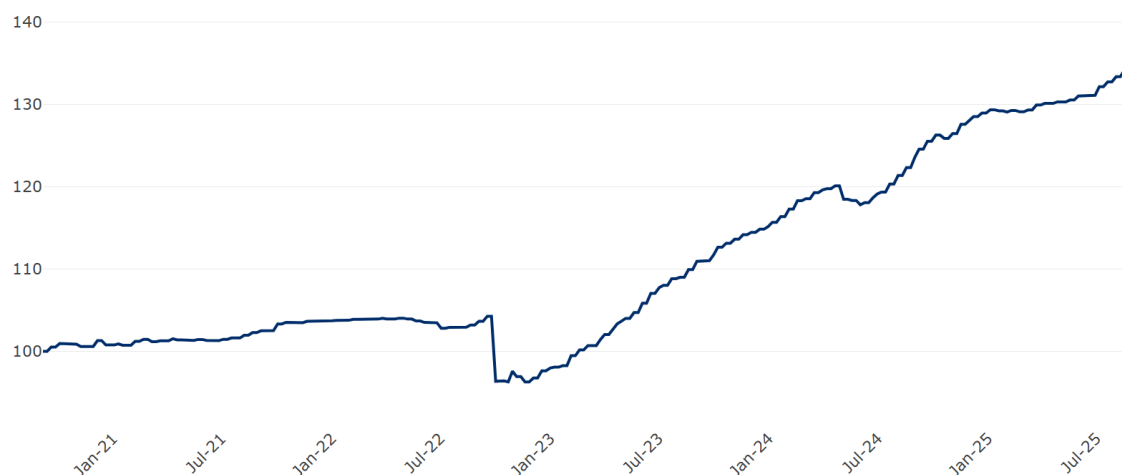
Commentary on the Fund Performance

Following a strong July, August was another strong month for the fund, with spread tightening supporting some of our core over overweight positions and seasonal factors driving the market higher across the board. Our absolute and relative performance year to date is developing in line with our expectations, and a comparison table versus our peers can be found in the attached video. With the primary market mostly closed for the season, demand for paper in the secondary market remained high, contributing to pushing prices higher. We were relatively quiet in the secondary market, making no meaningful trades in August and choosing to remain disciplined, keeping cash at target levels. Risk adjusted returns remain our guiding principle, and we feel that strong technicals are making more and more pockets of the market not attractive at current levels. Despite a quiet August for hurricanes, September marks the true peak of the season, and annual performance will ultimately be dictated by developments over the next 4–8 weeks` [click here](#).

Market Update

There was one primary market issuance: a U.S. earthquake-exposed deal from Swiss Re (\$75m total size), whose marketing will conclude in September and on which we will provide an update on our next newsletter. Despite the quiet season so far, September is historically the peak, often producing some of the most damaging hurricanes. Last year saw a sharp increase in activity through September and into October, with Hurricane Helene forming in late September and Hurricane Milton emerging in early October. Other major September storms include Ian (2022), Irma (2017), and Maria (2017). The market, therefore, remains alert. Medium-range forecasts beyond seven days should be taken with a pinch of salt, but for now they remain relatively quiet, as can be seen in the video attached. That said, sea surface temperatures are peaking, which brings an ongoing element of unpredictability. We will continue to provide ad-hoc updates should any events arise that we deem to pose a threat to the fund

5 Year Performance¹



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Portfolio Summary

Number of Positions	131
Yield to Maturity	11.0%
Average coupon	12.4%
Average Mid Spread	6.2%
Collateral Return	3.8%
Modeled Expected Loss ²	2.7%
Aggregate trigger weight	56.0%
Occurrence trigger weight	34.9%
AUM, EUR million	150
Average Life	2.0 years
Cash %	9.1%
Average Bid Price	102.3

Tenax EL Contribution

Florida Wind	45%
US Wind (ex Florida)	35%
California Earthquake	14%
US Earthquake (ex California)	4%
Flood	1%
Europe Wind	1%

Fund Information

Investment Manager	Tenax Capital Ltd
Manager	FundRock Mgmt Ltd (Ireland)
Structure	UCITS
Domicile	Ireland
Launched	9th June 2017
Base Currency	EUR
Liquidity	1st, 3rd Friday, month end
Auditor	Deloitte
Legal Advisor	Dillon Eustace
Administrator	CACEIS Ireland Ltd
Depository	CACEIS Bank, Ireland Branch
Risk Reward Profile (1-7)	3
1yr Sharpe Ratio	3.32
Annualised volatility (1yr)	2.1%
Top 10 positions weight	24.9%

Historical Annual Performance¹

3 months:	3.3%
6 months:	4.8%
Year to Date:	4.7%
1 year:	9.5%
3 years:	27.8%
5 years:	31.0%
Since inception:	20.7%
2020:	+3.8%
2021:	+2.9%
2022:	-5.5%
2023:	+17.5%
2024:	+12.2%
Best/Worst Month:	2.1%/-6.6%

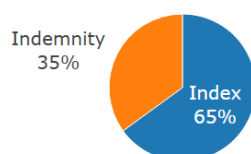
Net Asset Value per Share³

EUR I-P ACC HED	1206.75
EUR I DIST HED	1062.39
EUR I-P DIST HED	943.16
EUR I ACC	1377.66
EUR I-P ACC	1433.37
USD A ACC	1036.57
USD A DIST	1125.71

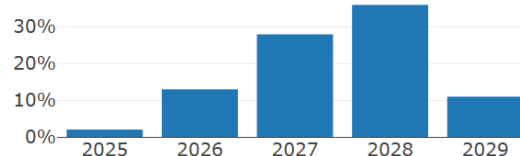
Top 10 Positions

Titania Re 2024-1 B	3.5%
Titania Re 2024-1 A	3.4%
Mona Lisa Re 2025-1 A	2.7%
Easton Re 2024-1 A	2.5%
Galileo Re 2023-1 A	2.4%
Ocelot Re 2023-1 A	2.4%
Bridge Street Re 2025-1 A	2.2%
Mona Lisa Re 2025-1 B	2.1%
Mystic Re 2024-1 A	1.8%
2001 Cat Re 2023-1 A	1.8%

Trigger Structure Type



Maturity Profile



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Monthly Performance by Share Class

EUR Class I-P Acc Hedged - Monthly Performance %

IE00BDVK6S99

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.43	1.32	1.42	1.61	1.83	2.12	1.01	1.89	0.83	1.60	0.90	0.63	17.90
2024	1.79	1.19	0.93	0.44	-1.90	1.14	1.87	1.90	0.58	0.43	1.12	0.84	10.76
2025	-0.13	0.05	0.86	0.10	0.61	0.63	1.01	1.32	-	-	-	-	4.52

EUR Class I Dist Hedged - Monthly Performance %

IE00BDVK6Q75

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.40	1.30	1.39	1.59	1.80	2.10	0.99	1.87	0.80	1.57	0.88	0.60	17.54
2024	1.76	1.17	0.91	0.41	-1.92	1.11	1.84	1.87	1.87	0.43	1.30	0.93	12.25
2025	-0.16	0.02	0.83	0.07	0.59	0.60	1.14	1.54	-	-	-	-	4.73

EUR Class I-P Dist Hedged - Monthly Performance %

IE00BDVK6V29

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.43	1.32	1.42	1.61	1.83	2.12	1.01	1.89	0.83	1.60	0.90	0.63	17.90
2024	1.79	1.19	0.93	0.44	-1.90	1.14	1.87	1.90	0.57	0.43	1.12	0.84	10.76
2025	-0.13	0.05	0.86	0.10	0.61	0.63	1.01	1.32	-	-	-	-	4.52

EUR Class I Acc Non-Hedged - Monthly Performance %

IE00BDVK6P68

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.81	3.24	-1.37	0.21	5.41	0.08	0.23	3.39	3.18	1.85	-1.86	-0.46	16.58
2024	3.48	1.61	1.22	1.39	-3.12	2.40	1.17	0.01	1.32	2.87	3.89	2.81	20.58
2025	-0.42	0.13	-2.69	-4.36	0.94	-2.37	3.75	-0.33	-	-	-	-	-5.43

EUR Class I-P Acc Non-Hedged - Monthly Performance %

IE00BDVK6T07

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	1.84	3.11	-1.20	0.24	4.68	0.17	0.29	2.82	2.64	1.59	-1.39	-0.28	15.29
2024	2.89	1.38	1.06	1.22	-2.40	2.01	1.04	0.10	1.02	2.39	3.19	2.33	17.38
2025	-0.40	0.15	-2.66	-4.33	0.97	-2.34	3.78	-0.31	-	-	-	-	-5.24

USD A Acc - Monthly Performance %

IE000RV5J707

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	-	-	-	-	-	0.66	1.09	1.86	-	-	-	-	3.61

USD A Dist - Monthly Performance %

IE00BM9M0116

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	-	0.89	1.13	1.91	1.88	2.50	1.38	1.86	0.73	1.77	1.39	0.86	21.87
2024	1.86	1.31	1.09	0.47	-1.56	1.17	2.24	2.39	2.24	0.16	1.15	0.88	14.18
2025	0.05	0.25	1.16	0.73	0.89	1.04	1.25	2.01	-	-	-	-	7.61

Investment Management Team



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Glossary

Aggregate Trigger: A payout structure where the bond pays out if total losses from multiple events over a period exceed a predefined threshold.

Occurrence Trigger: A payout structure where the bond pays out if a single event exceeds a specified threshold.

Parametric Trigger: A structure where bond payouts are based on measurable parameters (e.g., wind speed, earthquake magnitude) rather than actual financial losses.

Indemnity Trigger: Payouts are based on the actual losses incurred by the issuer.

Index Trigger: Payouts are based on industry-wide insured losses.

Sharpe Ratio: Risk-adjusted return: excess return divided by standard deviation.

Spread: Risk premium compensating to take on insurance risk.

Expected Loss: Modelled statistical estimate of bond-loss probability.

Collateral Return: Investment return from backing collateral.

Peril: Specific risks like hurricane, flood, earthquake.

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