

# TENAX Dynamic Income UCITS FUND

Newsletter: 31 August 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.

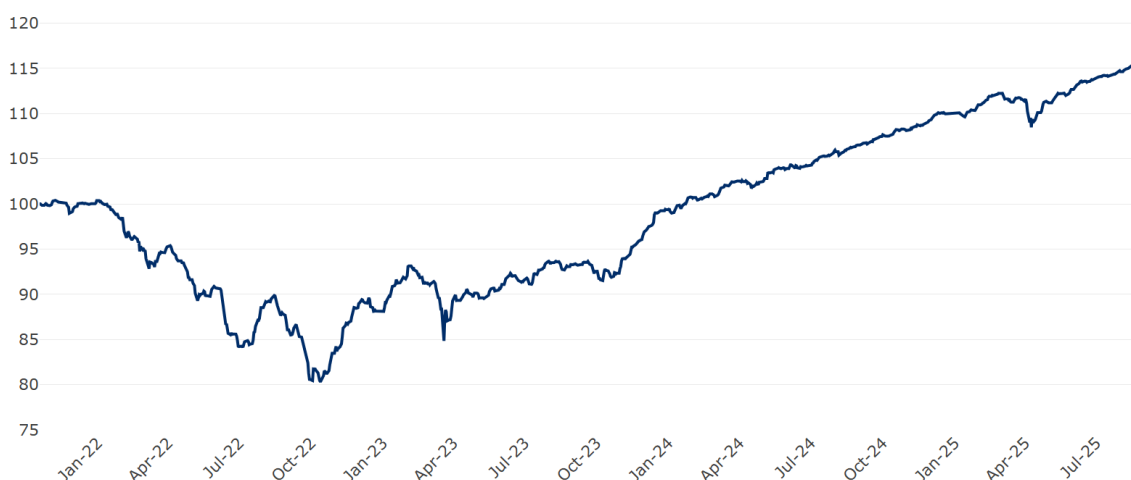
## Market Update

European fixed income delivered modest but resilient returns in August, despite seasonally thin liquidity and renewed political noise. Euro high yield was in line with general credit, with various indices up about 0.2% on the month, while YTD returns now stand near 4%. Earnings season brought a mixed picture, with cyclical sectors such as autos surprising to the upside, but overall demand remaining lacklustre. Technicals have started to soften toward the end of August ahead of an expected busy September primary volume, although strong inflows during summer point to decent appetite for risk. Macro conditions remain fluid. The ECB paused after cutting the deposit rate to 2.0%, but more hawkish rhetoric and stubborn service inflation kept rates elevated and volatile. Political uncertainty in France, with long OAT spreads widening, added pressure on Eurozone sovereigns, but we don't expect spillovers to the rest of Europe. Meanwhile, UK 30-year yields hit 5.6%, the highest since 1998, on persistent fiscal concerns. Our portfolio does not have exposure to UK rates. Looking at the US, Powell's dovish Jackson Hole message reinforced expectations of a September Fed cut. Credit spreads are tight by historical standards, but carry remains attractive, particularly in the single B bucket, where valuations offer scope for tightening if deleveraging continues. Looking ahead, September is expected to test the resilience of spreads amid heavy issuance and lingering macro risks.

## Commentary on the Fund Performance

We remain cautious on duration, given limited cushion in core government bonds, but constructive on credit, where technicals and yield levels continue to provide a favourable backdrop for bond picking. In August, the main underperformers on the corporate side of the portfolio were Advanz Pharma, Worldline, and Mahle, offset by positive contributions led by Eleving Group, Adler Pelzer, and ASK Chemicals. Advanz Pharma declined after 2Q results, which showed weaker than anticipated topline development and reduction in gross margins due to shifting product mix. We started to build a small position in Worldline after a sharp bond price reaction to press allegations concerning its high-risk client base. We continue to assess the name, and don't expect an immediate reversal until the second iteration of audit results that will be disclosed alongside Q3 results. Mahle bond prices adjusted slightly in-line with the broader auto sector after a notably strong rally in July. Among the positive contributors, Eleving Group bonds kept pulling to par; we increased the position in anticipation of a refinancing in the very near future. Adler Pelzer ticked up after positive set of results and ASK Chemicals continues to hold well ahead of results mid-September. We reduced and took profit on a portion of ASK, but it remains a key component of our "performing" higher spread names.

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



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<sup>2</sup> Values as of August 31, 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 %	2.1%

## Portfolio Summary

Number of Positions	60
Yield to Maturity	5.9%
Yield to Worst	4.5%
Average Coupon	5.6%
Duration	2.0
Average Credit Quality	BB
AUM, EUR million	17.8

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

EUR A ACC HED	1,198.2
EUR A DIST	1,079.8
EUR I DIST HED	1,148.2

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

3 months:	2.2%
6 months:	2.6%
Year to Date:	4.6%
1 year:	8.1%
3 years:	31.3%
Since inception:	14.9%
2021: (fund inception Oct 2021)	0.4%
2022:	-12.2%
2023	12.8%
2024:	10.8%

## Top 10 Positions

DBR 0 1/2 02/15/26	5.5%
SOLEIN 9 5/8 11/15/28	2.9%
ADVZCN 7 10/27/31	2.8%
MANGRV Float 07/15/29	2.8%
MOGOFI 9 1/2 10/18/26	2.7%
PURGRO 9 06/01/29	2.3%
NNGRNV 6 3/8 PERP	2.3%
IONCOR 7 7/8 05/01/29	2.3%
SABSM 5 3/4 PERP	2.2%
SANTAN 6 PERP	2.2%

## Sector Allocation

Banks	18.8%
Insurance	10.3%
Chemicals	9.7%
Sovereign	5.5%
Auto Parts&Equipment	5.0%
Machinery-Diversified	4.5%
Oil&Gas Services	3.7%
Retail	3.4%
Telecommunications	2.9%
Biotechnology	2.8%

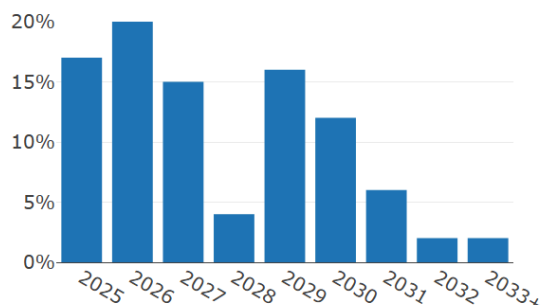
## Country Allocation

DE	14.4%
NL	13.4%
GB	12.7%
LU	11.2%
IT	10.9%
ES	9.5%
FR	7.7%
US	6.9%
AT	4.5%
PT	1.5%

## Rating Allocation

AAA	5.5%
AA	0.0%
A	0.0%
BBB	17.8%
BB	32.0%
B	35.3%
CCC	1.5%
NR	2.8%
CASH	5.2%

## 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	0.75	0.31					4.21

### 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	0.75	0.30					4.21

### 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	0.80	0.35					4.63

## Investment Management Team



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