

# TENAX Dynamic Income UCITS FUND

Newsletter: 31 May 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.

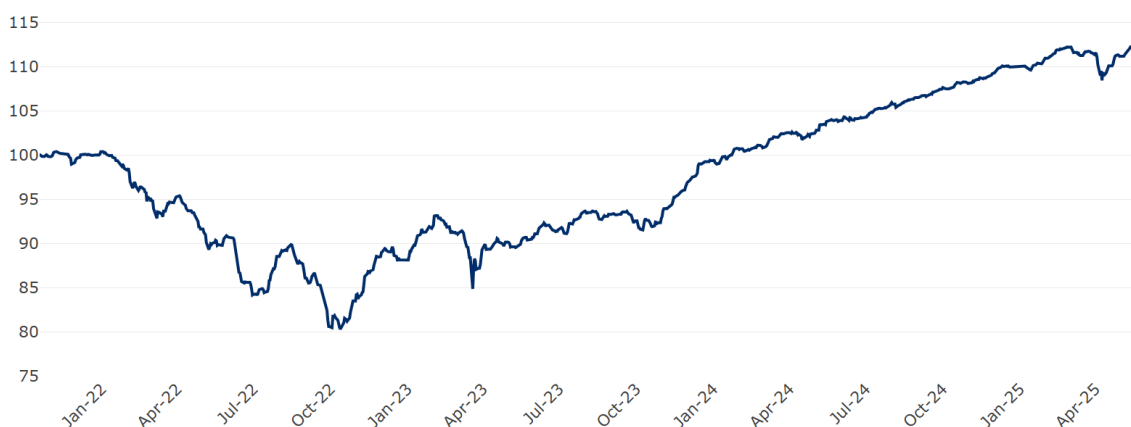
## Commentary on the Fund Performance

The Fund posted the best monthly performance this year, and the second best over the last 12 months. On the corporate credit side, this return was primarily driven by higher beta names retracing from “Liberation Day” widening and some of the additions we made taking advantage of wider spreads. To name some of the largest contributors, Ask Chemicals, ION Corporate, and INEOS Quattro and Advanz Pharma were the best performing credits. On the negative side, we saw Burger King France and Graphic Packaging bonds slightly impacted on weaker than expected results. Financial subordinated were mixed, with longer duration and low reset outperforming high coupon, low extension risk bonds. Primary market reopened strong following April volatility, with several AT1s and one RT1 hitting the market, with a balanced reception from investors

## Market Update

In May 2025, European macro and credit markets reflected a complex but stabilizing environment. The ECB's April rate cut began to take effect, with markets anticipating further easing in June amid weakening economic data. Inflation continued to moderate, with Eurozone CPI at 2.2% year-on-year, supported by falling energy prices and the delayed impact of tariffs. Unemployment edged higher in Germany and Spain, and the IMF confirmed further downward revisions to 2025 growth, especially for countries with strong trade exposure with the US. Flows into European corporate bond funds remained weak in May, both in high yield and investment grade, though modest inflows returned to government bonds. Yield curves steepened further across Europe, reflecting both front-end easing and longer-end issuance pressures. In corporate credit, May saw a sharp increase in HY default volume, reaching €6bn but driven by the anticipated default and restructuring of a large capital structure such as Altice France (SFR). Despite this spike, the broader HY market showed signs of resilience: the distress ratio fell to 5%, and the share of bonds trading below 60 dropped under 2%. IG spreads initially widened due to risk-off sentiment from tariff uncertainty but recovered late in the month. Despite challenging macro conditions, corporate fundamentals remained solid. Investors continued to favour selective exposures, particularly in non-cyclical sectors, while finding relatively better opportunities in financials

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



Past performance does not predict future returns. Your capital is at risk. This document is for professional clients and accredited investors only

<sup>1</sup> Performance refers to ISIN IE00BG0W8G91 only since it is the most representative share class. Data taken from Bloomberg as at 30/04/2025.

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

## Fund Information

Investment Manager	Tenax Capital
Manager	Bridge Fund Management Ltd
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
3yr Sharpe Ratio	0.53
3yr Annualised volatility %	1.64%

## Portfolio Summary

Number of Positions	51
Yield to Maturity	6.0%
Yield to Worst	3.9%
Average Coupon	5.5%
Duration	2.4
Average Credit Quality	BB
AUM, EUR million	17.2

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

EUR A ACC HED	1,174.0
EUR A DIST	1,058.0
EUR I DIST HED	1,123.3

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

3 months:	0.39%
6 months:	3.17%
Year to Date:	2.36%
1 year:	8.42%
3 years:	24.16%
Since inception:	12.37%
2021: (fund inception Oct 2021)	0.37%
2022:	-12.21%
2023	12.77%
2024:	10.77%

## Top 10 Positions

BOTS 0 07/14/25	7.3%
DBR 0 1/2 02/15/26	5.8%
ATHORA 6 3/4 PERP	3.6%
SOLEIN 9 5/8 11/15/28	3.1%
ACHMEA 5 5/8 11/02/44	2.5%
BENTLR 9 3/8 05/15/28	2.5%
IONCOR 7 7/8 05/01/29	2.4%
ADVZCN 7 10/27/31	2.4%
SABSM 5 3/4 PERP	2.4%
ASKCHE 10 11/15/29	2.3%

## Sector Allocation

Banks	16.2%
Insurance	15.4%
Sovereign	14.1%
Chemicals	9.2%
Software	4.2%
Auto Parts&Equipment	4.0%
Oil&Gas Services	3.7%
Machinery-Diversified	3.5%
Retail	3.5%
Internet	2.9%

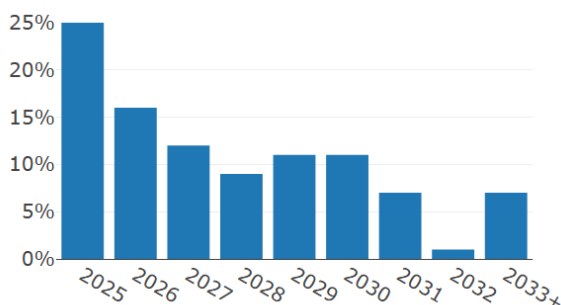
## Country Allocation

IT	20.7%
DE	13.3%
NL	12.5%
LU	9.8%
GB	9.4%
FR	8.4%
US	7.5%
ES	7.1%
AT	5.9%
BE	3.4%

## Rating Allocation

AAA	5.8%
AA	0.0%
A	2.0%
BBB	23.9%
BB	29.9%
B	34.0%
CCC	0.0%
NR	2.4%
CASH	2.0%

## 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								0.81

### 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								0.81

### 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								1.01

## Investment Management Team



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