



TENAX ILS UCITS FUND

Monthly Newsletter

January 2025

Net Asset Value per Share¹

| | |
|------------------|---------|
| EUR I-P ACC HED | 1153.04 |
| EUR I DIST HED | 1012.82 |
| EUR I-P DIST HED | 901.19 |
| EUR I ACC | 1450.56 |
| EUR I-P ACC | 1506.60 |

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.

Fund Information

| | |
|--------------------|--------------------------------|
| Investment Manager | Tenax Capital Ltd |
| Manager | Bridge Fund Management Limited |

EUR Class I-P Acc Hedged - Monthly Performance %

IE00BDVK6S99

| | 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 | | | | | | | | | | | | -0.13 |

| | |
|-----------|-------|
| Structure | UCITS |
|-----------|-------|

EUR Class I Dist Hedged- Monthly Performance %²

IE00BDVK6Q75

| | 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 | | | | | | | | | | | | -0.16 |

| | |
|---------|----------|
| Auditor | Deloitte |
|---------|----------|

EUR Class I-P Dist Hedged - Monthly Performance %²

IE00BDVK6V29

| | 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 | | | | | | | | | | | | -0.13 |

| | |
|---------------|-----------------------------|
| Legal Advisor | Dillon Eustace |
| Administrator | CACEIS Ireland Limited |
| Depository | CACEIS Bank, Ireland Branch |

EUR Class I Acc Non-Hedged - Monthly Performance %

IE00BDVK6P68

| | 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 | | | | | | | | | | | | -0.42 |

Historical annual performance³

2024: +12.25%

2023: +17.54%

2022: -5.54%

2021: +2.92%

2020: +3.81%

5 Years to Date: 31.50%

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

IE00BDVK6T07

| | 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 | | | | | | | | | | | | -0.40 |

Fund Performance

The Fund in January delivered a slightly negative return, as most of the bonds with wildfire exposure have been marked down across the market. We reiterate our material underweight in this peril as informed in our event updates, but it's worth noting a 0.17% position in a deal whose issuer has warned on the potential for the trigger level to be reached. Other bonds exposed more broadly to US all-natural perils on an aggregate basis have naturally widened given part of the attachment level has been eroded ahead of the tornado season. As usual, January was a month of heavy issuance from reinsurers, typically looking for protection from peak perils on an index trigger basis. We underwrote all these transactions as they represent the core of our investment approach, while we declined on a south-east US wind only bond, where construction quality is too heterogeneous across states in our opinion. We do believe though that value in US wind indemnity bonds is resurging, also thanks to a stronger legislative framework in Florida which protects risk buyers from litigation risk and artificial claim inflation.

¹ Values as of January 31, 2025. All figures are stated on a net basis

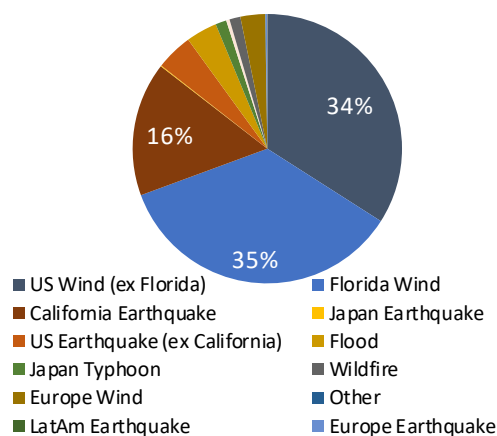
² The performance includes cash dividend distributions

³ Performance refers to ISIN IE00BDVK6Q75 only since it is the most representative share class

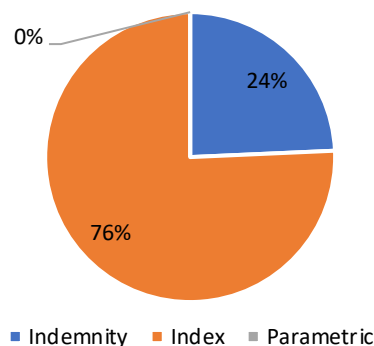
Market Update

The wildfires in California (Palisades and Easton) concluded towards the end of January, having burned through some of the most expensive areas of Los Angeles for over three weeks. The market has been cautious about wildfire risk since the 2017/18 events, but despite this, around 10% of the market notional exposure includes some form of US wildfire risk. It's worth noting, however, that this exposure accounts for both per occurrence and aggregate layers. Readers may have seen that Renaissance Re and Everest Re recently reported they expect to absorb 1.5% and 1% of the industry loss, respectively. Based on Everest Re's figures, this suggests an industry loss between \$35–45 billion, while Ren Re's numbers point closer to \$50 billion. These figures are in line with our initial estimates, despite some other market participants suggesting significantly lower numbers. We note that anything above \$25bn will classify this as one of the costliest events in history. Despite the magnitude of the event, it is unlikely to significantly impact pricing at the upcoming renewals. This, coupled with the winter storms seen across the US throughout January, serves as yet another reminder that engaging with secondary perils can be both highly challenging and costly. At the state level, the fires could sadly become the catalyst needed to ensure building codes are updated and made robust enough to prevent a recurrence of such an event. The primary market continues to be active, with eight transactions coming to market. Among these were new issues from TD Insurance (covering U.S. and Canada named storms and earthquakes) and QBE, with an index-trigger deal covering U.S. named storms and earthquakes. The pipeline looks very busy for the remainder of H1, with a large maturity wall. As such, we see ample opportunities to deploy capital.

Expected Loss Contribution



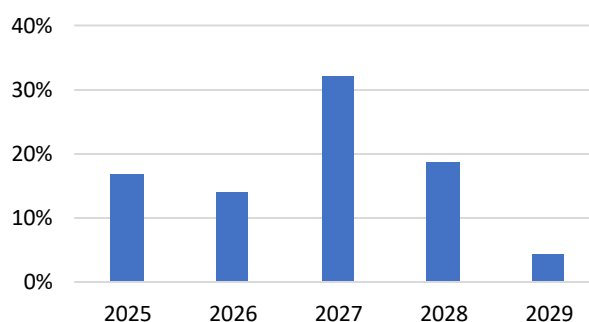
Trigger Structure Type



Portfolio Summary

| | |
|------------------------------------|-----------|
| Number of Positions | 127 |
| Yield to Maturity | 11.5% |
| Average Mid Spread | 6.1% |
| Collateral Return | 4.7% |
| Modeled ⁴ Expected Loss | 2.4% |
| AUM, EUR million | 143.7 |
| Average Life | 1.7 years |

Maturity Profile



Investment Management Team

Massimo Figna
figna@tenaxcapital.com



Toby Pughe
tpughe@tenaxcapital.com



Marco della Giacomina
dellagiacomina@tenaxcapital.com



⁴ Modeled expected loss as calculated at issuance from the relevant risk modeling firm (RMS, AIR, CoreLogic)

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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.

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TENAX CAPITAL LTD

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

Telephone: +44 20 7003 8700

Fax: +44 20 7003 8701

Url: www.tenaxcapital.com

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