



TENAX ILS UCITS FUND

Monthly Newsletter

October 2024

Net Asset Value per Share¹

EUR I-P ACC HED	1132.24
EUR I DIST HED	992.16
EUR I-P DIST HED	943.59
EUR I ACC	1363.90
EUR I-P ACC	1432.43

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		EUR Class I-P Acc Hedged - Monthly Performance %												IE00BDVK6S99	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
Investment Manager	Tenax Capital Ltd	2022	0.08	0.21	0.08	0.04	-0.30	-0.83	0.14	0.30	-6.59	-0.06	0.58	1.22	-5.24
Manager	Bridge Fund	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
	Management Limited	2024	1.79	1.19	0.93	0.44	-1.90	1.14	1.87	1.90	0.58	0.43			8.62
Fund Information		EUR Class I Dist Hedged- Monthly Performance % ²												IE00BDVK6Q75	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
Structure	UCITS	2022	0.06	0.18	0.05	0.01	-0.33	-0.87	0.12	0.27	-6.62	-0.07	0.54	1.19	-5.55
Domicile	Ireland	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
Launched	9th June 2017	2024	1.76	1.17	0.91	0.41	-1.92	1.11	1.84	1.87	1.87	0.43			9.79
Base Currency	EUR														
Liquidity	1 st ,3 rd Friday, month end														
Auditor	Deloitte														
Fund Information		EUR Class I-P Dist Hedged - Monthly Performance % ²												IE00BDVK6V29	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
Legal Advisor	Dillon Eustace	2022	0.09	0.21	0.08	0.04	-0.30	-0.83	0.14	0.30	-6.59	-0.06	0.58	1.22	-5.24
Administrator	CACEIS Ireland	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
	Limited	2024	1.79	1.19	0.93	0.44	-1.90	1.14	1.87	1.90	0.57	0.43			8.61
Depository	CACEIS Bank, Ireland Branch														
Fund Information		EUR Class I Acc Non-Hedged - Monthly Performance %												IE00BDVK6P68	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
Historical annual performance ³		2022	-0.53	0.08	2.32	2.20	1.40	0.01	3.50	0.91	-4.15	0.18	-3.57	-1.79	0.27
		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			12.90
2023: +17.54%															
2022: -5.54%															
2021: +2.92%															
2020: +3.81%															
2019: -0.83%															
5 Years to Date: 30.0%															
Fund Information		EUR Class I-P Acc Non-Hedged - Monthly Performance %												IE00BDVK6T07	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
		2022	-0.50	0.10	2.09	2.26	0.60	-0.02	2.98	0.82	-3.18	0.18	-2.93	-1.77	0.42
		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			11.16

Fund Performance

The fund regained the mark to market losses in two weeks post Hurricane Milton, aligned with market performance. Unlike immediately after hurricane Ian in 2022 the market was more composed this time around, with very little liquidity around the event. A handful of non-Milton related bonds traded around the event, and once the dust settled the market returned to being heavily skewed to the buy side. Given the suboptimal liquidity and lack of paper offered, we focussed on some short-dated deals to add carry to the portfolio. We favoured bonds that cover US Wind and Earthquake, with the wind portion all but off risk with the Atlantic hurricane season typically quiet in November (and officially ending at the end of the month). Where earthquake was covered, we focussed on senior layers with high return periods to attach the bond. The primary market slowly opened during the month, but as of yet we haven't seen any deals that had material exposure to Hurricane Milton, so we await to see how this business will be priced

¹ Values as of October 31, 2024. All figures are stated on a net basis

² The performance includes cash dividend distributions

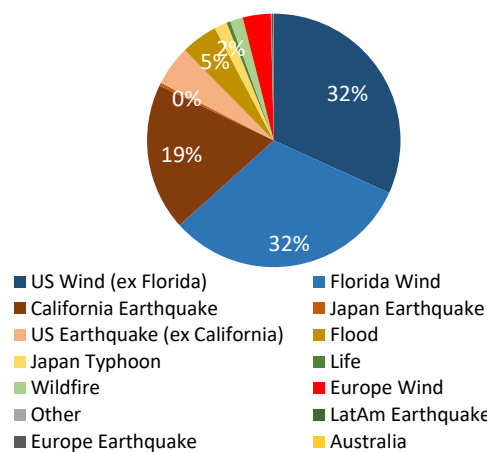
³ Performance refers to ISIN IE00BDVK6Q75 only since it is the most representative share class

at the upcoming renewals. We added small positions in deals covering European wind and California earthquake, as well as a deal from USAA.

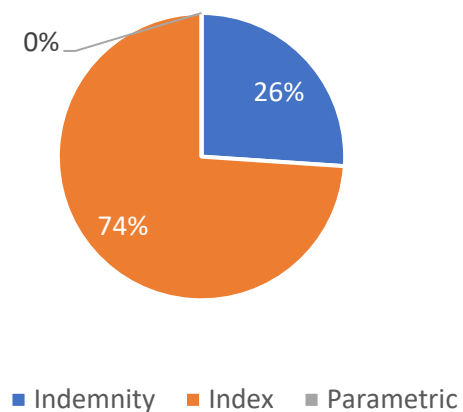
Market Update

Hurricane Milton turned out not to be as bad as initially expected in terms of insurance losses. At one point, it looked as if a direct or slightly north-of-Tampa landfall was on the cards. Had this happened, the industry was likely looking at losses ranging from \$75-100bn. Given the slightly more southern track, the worst-case scenario was avoided. It's still a bit too early to say definitively, but the event should slow down the tightening we observed in the weeks leading up to Milton. The primary market has now re-opened, and we have seen a few transactions. However, none of these included Florida wind coverage, so we do not yet have a benchmark to gauge where spreads are settling for this peril. It's worth noting that generally new deals have settled at or below the low end of guidance, signalling abundance of cash and risk appetite. PCS released their first estimate for Hurricane Helene at \$6-11bn, which is in line with the midpoint consensus, though it excludes flood damage. The National Flood Insurance Programme (NFIP) has reported receiving 54,000 claims. Comparing this to Ian and Harvey (47,000 and 92,000, respectively), it looks as if their reinsurance program will be triggered. If we extrapolate the same average claim amount from Ian and Harvey it suggests the Helene flood loss will be around \$5bn, with their most junior cat bonds kicking in at around \$6bn, Verisk has also estimated Milton at \$30-50bn losses, with next updates expected to be more precise.

Expected Loss Contribution



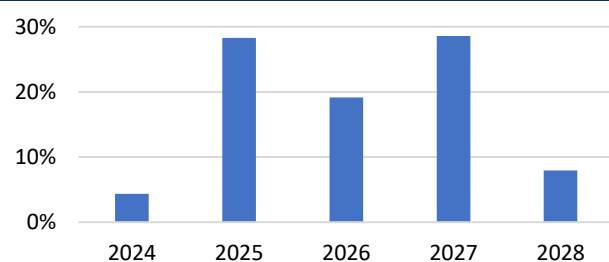
Trigger Structure Type



Portfolio Summary

Number of Positions	122
Yield to Maturity	11.3%
Average Mid Spread	6.2%
Collateral Return	4.7%
Modeled ⁴ Expected Loss	2.5%
AUM, EUR million	111.3
Average Life	1.4 years

Maturity Profile



Investment Manager

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Toby Pughe
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Marco della Giacoma
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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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