

TENAX ILS UCITS FUND

Monthly Newsletter

September 2024

Net Asset Value per Share¹

EUR I-P ACC HED	1127.36
EUR I DIST HED	987.93
EUR I-P DIST HED	939.51
EUR I ACC	1325.81
EUR I-P ACC	1399.05

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

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 Limited

Depository CACEIS Bank, Ireland Branch

EUR Class I-P Acc Hedged - Monthly Performance %

IE00BDVK6S99

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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
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				8.15

EUR Class I Dist Hedged- Monthly Performance %²

IE00BDVK6Q75

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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
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				9.32

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

IE00BDVK6V29

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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
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				8.15

EUR Class I Acc Non-Hedged - Monthly Performance %

IE00BDVK6P68

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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				9.74

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				8.57

Fund Performance

Following the strong performances recorded in July and August, September followed suit with another round of spread tightening. Our index overweight continued to contribute positively to the performance, with spreads outperforming indemnity, which we underweight. The secondary market was quiet, with only around 10 names trading in total. We did see one reasonably sized storm, Hurricane Helene (Florida cat 4), towards the end of the month. Estimated losses vary considerably, with some suggesting around \$6bn and others up to \$17bn. This alone isn't enough to trigger any cat bonds, but we will continue to monitor its impact on aggregate erosions. There wasn't much trading around the event given its relatively small size, and in general the market continues to be one-way, with buyers by far outnumbering sellers. Our target to gradually add risk to the portfolio going into year-end is proving tough to achieve until primary market will reopen, as we maintain a rigorous approach to valuations and certainly not chasing sellers at unrealistic levels. Positive performances across the market and alleged high cash levels are not either an incentive to the market to offload risks. The impact of Hurricane Milton is currently being assessed and we will provide updates as soon as the first figures will emerge.

¹ Values as of September 30, 2024. All figures are stated on a net basis

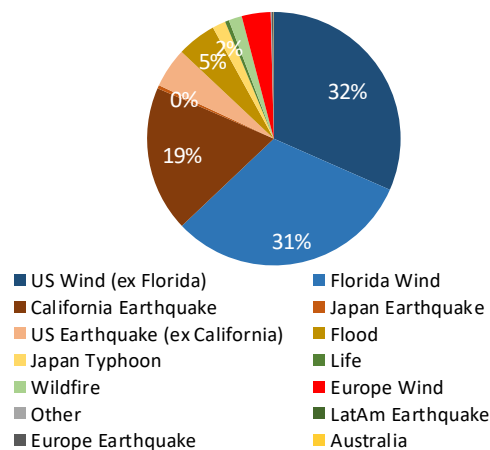
² The performance includes cash dividend distributions

³ Performance refers to ISIN IE00BDVK6S99 only since it is the most representative share class

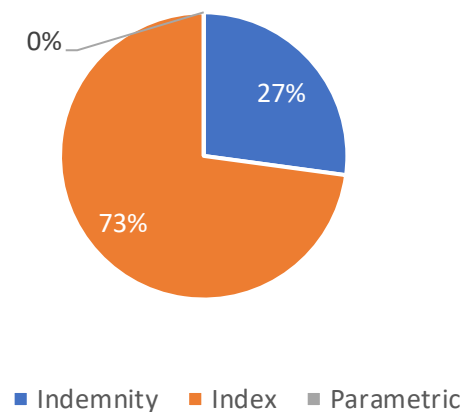
Market Update

September marks the peak of hurricane season, with September 10th being the historical peak. We observed some activity with Hurricane Francine, a Category 2 storm, making landfall in the western portion of Louisiana, an area with lower population density. Towards the end of the month, Hurricane Helene, a Category 4 storm, impacted various Caribbean islands before making landfall along the Florida Panhandle. Initial estimates from Gallagher Re suggested industry losses between \$3-6 billion, but these were later revised upwards to high single digits. Moody's RMS also released a figure of \$11 billion, based on their new stochastic model. Other agencies, such as Karen Clark, pegged the loss around \$6bn, while CoreLogic, at the high end, estimated \$17bn, highlighting the uncertainty the market typically observes immediately post-event. These figures on their own are not expected to significantly affect the catastrophe bond market. There have been some discussions around the impact on the National Flood Insurance Program (NFIP), but at this stage, we expect the traditional reinsurance program to absorb the impact. Although there was significant flooding in certain inland counties, the NFIP's uptake drops off considerably further inland.

Expected Loss Contribution



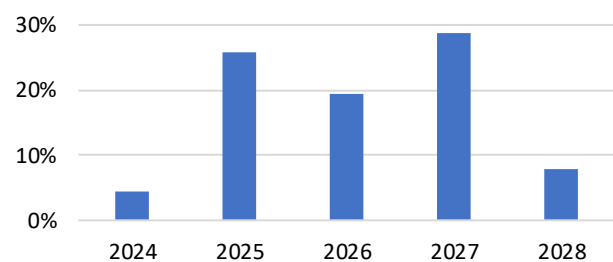
Trigger Structure Type



Portfolio Summary

Number of Positions	117
Yield to Maturity	12.1%
Average Mid Spread	6.3%
Collateral Return	4.7%
Modeled ⁴ Expected Loss	2.46%
AUM, EUR million	110.5
Average Life	1.48 years

Maturity Profile



Alamo Re 202

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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