



# TENAX ILS UCITS FUND

## Monthly Newsletter

## December 2024

### Net Asset Value per Share<sup>1</sup>

EUR I-P ACC HED	1154.57
EUR I DIST HED	1014.42
EUR I-P DIST HED	902.38
EUR I ACC	1456.73
EUR I-P ACC	1512.62

### 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
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	0.43	1.12	0.84	10.76

Structure	UCITS
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### EUR Class I Dist Hedged - Monthly Performance %<sup>2</sup>

### 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	0.43	1.30	0.93	12.25

Domicile	Ireland
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### EUR Class I-P Dist Hedged - Monthly Performance %<sup>2</sup>

### 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	0.43	1.12	0.84	10.76

Liquidity	1 <sup>st</sup> , 3 <sup>rd</sup> Friday, month end
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### 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	2.87	3.89	2.81	20.58

2024: +12.25%

2023: +17.54%

2022: -5.54%

2021: +2.92%

2020: +3.81%

5 Years to Date: 32.79%

### 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	3.19	2.33	17.38

### Fund Performance

The fund closed the year with its second-best performance ever, despite an above-average hurricane season. This performance maintains the Fund in the top decile among UCITS ILS funds on a 5 year basis. Although we adopted a relatively defensive position heading into the hurricane season, the fund still managed to achieve another double digit return on the EUR hedged classes. With the season concluding in November, performance in December was primarily driven by carry, along with a minor pull-to-par contribution from bonds maturing at the end of the year. The secondary market was quiet for us, with no trades taking place. The market remains heavily skewed to the bid, so we didn't see many opportunities to add quality positions. Our indemnity aggregate bond from Progressive jumped to par as the company avoided high losses from the late-season wind events. Meanwhile, the primary market was extremely active, featuring around 14 deals. We added core positions to the portfolio, including Renaissance Re, Mapfre Re, Liberty Mutual, and QBE, all of which align with our overweight index-trigger strategy. Although the market continued to tighten in December, the

<sup>1</sup> Values as of December 31, 2024. All figures are stated on a net basis

<sup>2</sup> The performance includes cash dividend distributions

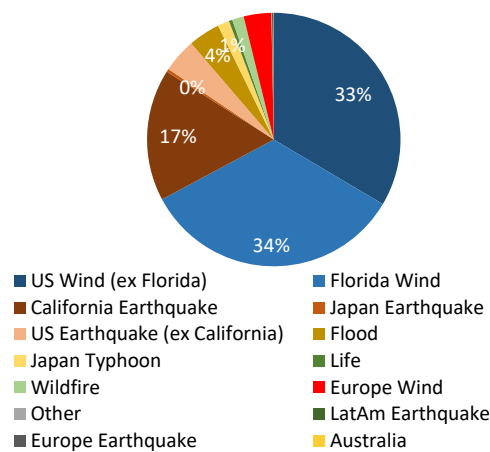
<sup>3</sup> Performance refers to ISIN IE00BDVK6Q75 only since it is the most representative share class

pace of tightening slowed as the record-breaking issuance of 2024 brought a degree of stability. Overall, 2024 has been a positive year for the fund: we remained disciplined in a period of higher-than-normal activity and uncertainty. As we write, California is hit by severe wildfires. The Fund is only marginally exposed to this risk (<3%), and not expected to suffer losses from these events, however we will keep you updated on further developments.

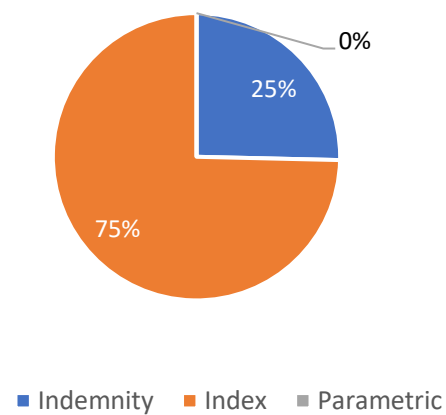
### Market Update

The 144A property catastrophe bond market delivered another record-breaking year in 2024, with total issuance reaching \$16.6 billion—an 11% increase over the previous record of 2023. When including non-property-focused deals such as cyber, total issuance climbed to \$17.2 billion. Among these issuances were 13 first-time sponsors, reflecting the growing diversity of participants. Fourth-quarter activity was particularly notable, with issuance totalling \$4.5 billion—the second-highest on record. While slightly below 2023’s \$5.6 billion, Q4 issuance was still 67% above the 10-year average of \$2.7 billion. December was especially dynamic, with issuance levels 93% higher than the 10-year average. Investor demand remained robust, driving the average transaction size in Q4 to \$225 million, a substantial increase from last year’s \$168 million and the 10-year average of \$176 million. Spreads continued to tighten as the year progressed, enabling more competitive (re)insurance premium rates for protection buyers. Several December issuances priced below initial guidance, underscoring the depth of investor interest. Despite the normalization of market spreads following two strong years, policy terms and conditions (T&Cs) have largely remained unchanged. This stability benefits risk buyers by providing greater transparency, clarity regarding qualifying losses, and consistent loss mitigation.

#### Expected Loss Contribution



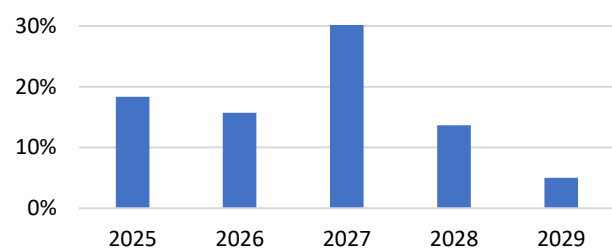
#### Trigger Structure Type



#### Portfolio Summary

Number of Positions	135
Yield to Maturity	11.5%
Average Mid Spread	5.8%
Collateral Return	4.7%
Modeled <sup>4</sup> Expected Loss	2.4%
AUM, EUR million	143.1
Average Life	1.7 years

#### Maturity Profile



#### Investment Manager

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<sup>4</sup> 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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