



# TENAX ILS UCITS FUND

## Monthly Newsletter

## November 2024

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

|                  |         |
|------------------|---------|
| EUR I-P ACC HED  | 1144.95 |
| EUR I DIST HED   | 1005.06 |
| EUR I-P DIST HED | 954.18  |
| EUR I ACC        | 1416.92 |
| EUR I-P ACC      | 1478.12 |

### 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          | 1 <sup>st</sup> , 3 <sup>rd</sup> 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  | 0.43  | 1.12 |      | 9.84  |

### 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 |      | 11.22 |

### 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 |      | 9.83  |

### 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  |       | 17.29 |

### 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  |       | 14.70 |

### Fund Performance

After the temporary repricing in the immediate aftermath of Hurricane Milton, the market continued to rally throughout November. Index deals tightened further, resulting in the fund outperforming the market in the second half of the month. On the trading front, activity was subdued, as the market remained heavily skewed to the buy side, offering few opportunities to add to the portfolio in secondary market. We nevertheless managed to add some short term, risk-off bonds at decent yields. The primary market on the other hand was very active, allowing us to add some core positions to the portfolio, including deals from Renaissance Re and Lloyd's of London syndicate Aerial Re. The Atlantic hurricane season has now passed its conventional conclusion, we therefore expect a carry driven performance into the beginning of next year, with just a couple of situations still displaying uncertainty linked to the 2024 wind events, which we expect will be cleared in the next few weeks. We expect spreads to remain range-bound in the near future, with any widening only being supply-driven, unless meaningful catastrophe events occurred, while yields are set to remain in low double digit.

<sup>1</sup> Values as of November 30, 2024. All figures are stated on a net basis

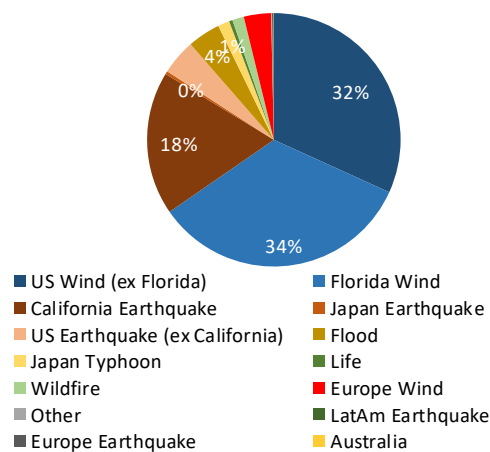
<sup>2</sup> The performance includes cash dividend distributions

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

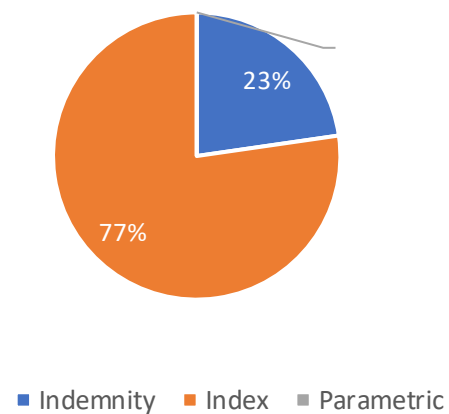
## Market Update

According to NOAA's definition, the 2024 hurricane season was a hyperactive one, exceeding the 1991–2020 average. There were 18 named storms, compared to the 1991–2020 average of 14.4, and 11 hurricanes, compared to the average of 7.2. The scientific community attributes the record warm sea surface temperatures and a cool neutral ENSO as key factors contributing to the favourable conditions for hurricane activity, despite the lull observed in the middle of the season. The market-standard reporting agency has provided their second update for Hurricane Milton, showing a slight increase from their first estimate, which was surprisingly low. The loss remains significantly below initial market estimates, with the next update expected in late January 2025. Some sponsors have already revised their initial loss estimates downward for both Hurricane Milton and Helene. Improvements in underlying insurance contract terms and conditions, higher pricing, and legislative reforms appear to have played a crucial role in keeping losses at manageable levels. The market has continued to rally post-event, with tightening observed across nearly all bonds. Bonds with industry loss triggers have performed well, while indemnity deals initially perceived as vulnerable to Milton have returned to pre-event valuations. The primary market is in full swing ahead of the January 1st renewals. Since the last newsletter, approximately 10 deals have been issued, many of which feature an index trigger. The primary market is expected to remain active until about a week before Christmas. Meanwhile, the secondary market, though still heavily skewed to the buy side, has seen liquidity partially return to pre-Hurricane Milton levels

### Expected Loss Contribution



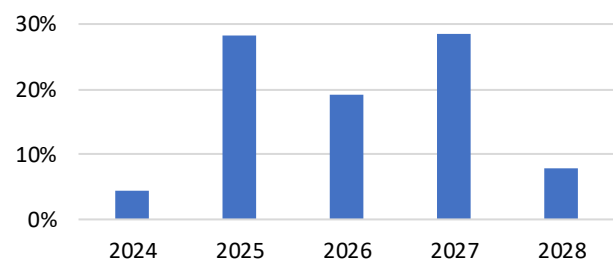
### Trigger Structure Type



### Portfolio Summary

|                                    |           |
|------------------------------------|-----------|
| Number of Positions                | 126       |
| Yield to Maturity                  | 11.8%     |
| Average Mid Spread                 | 6.0%      |
| Collateral Return                  | 4.7%      |
| Modeled <sup>4</sup> Expected Loss | 2.5%      |
| AUM, EUR million                   | 143.6     |
| Average Life                       | 1.4 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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