

# Performance report | 30 April 2025

## LCP Insurance Linked Securities Fund - AUD Class

### Net returns

	Since inception <sup>1</sup>
Fund	-0.06%

Performance figures are net of fees and expenses. Past performance is not indicative of future performance.

### Fund commentary

The UCITS Cat Bond Fund has returned -0.06% since inception<sup>1</sup> (Class B AUD).

The Master Fund's<sup>2</sup> return has been driven by the carry yield of the investments and the mark to market price changes that have occurred over the month. There was no major natural catastrophe impacting the Cat Bond market in April, but spreads overall drifted wider driven by the heavy primary issuance, traditional seasonal repricing but also deteriorating valuations on a set of bonds impacted by the January Los Angeles Wildfires. The Swiss Re Global Cat Bond Total Return Index generated a +0.23% performance for the month.

The convective storms season that started in the US in March has caused low double-digit USD bn of damage so far (as reported by PCS at the end of April 2025) which did not impact the fund given the reduced exposure to higher risk aggregate transactions in the portfolio. It has however impacted a few Cat bonds in the market that were already under pressure because of the January Los Angeles wildfires. Their valuations have sharply decreased, driving a -0.74% performance for the Swiss Re Global Cat Bond Price Return Index in April (this index measures the movement of secondary bid indications as provided by Swiss Re Capital Markets). The current estimated industry loss for the January California Wildfires remains around the \$40bn mark subject to it being reduced if the Eaton fire (approx. \$15bn industry loss) is found to be the fault of the local utility company, which would be liable for the loss (via subrogation). In that case, some of those Cat Bonds could see some recovery in their prices.

April was another active month for catastrophe bond trading in the secondary market. The sheer amount of primary market issuance caused spreads to widen and bond prices in the secondary market to fall. However, so far, the weakness in

demand has been quite orderly compared to the gap in demand we saw in April last year which caused some new issues to grind to a halt. Strong issuance generally brings increased secondary trading volumes, and April proved no exception.

Primary market issuance was sustained with USD 1.7bn issued across 10 tranches of risk. Another USD 3.4bn also printed in the early days of May while an extra USD 2.3bn was announced. New sponsors (10 first time issuers so far in 2025) and risks have continued to enter this market offering more opportunities for investors. This trend is expected to continue later in May and June, and the fund will continue to take advantage of this large pipeline.

### Fund details

Feature	Information
Investment objective	To deliver risk adjusted absolute returns by investing in a portfolio of insurance linked securities through the Leadenhall UCITS ILS Fund PLC (the 'Master Fund'). The Master Fund in turn invests in insurance linked bonds (being catastrophe bonds) and other permitted insurance linked investments, being preferred shares, closed-ended fund shares and exchange based derivatives (together 'ILS').
Responsible Entity/ Issuer	Bennelong Funds Management Ltd ABN 39 111 214 085
Investment Manager	Bennelong Funds Management Ltd ABN 39 111 214 085. At the Master Fund level, the investment manager is Leadenhall Capital Partners.
Inception date	4 April 2025
Recommended investment period	Long term (5 years +)
Minimum investment	\$400,000 (AUD)
Additional investment	\$150,000 (AUD)
Buy/Sell spread	+/-0.20%
Entry/Exit fees	Nil
Distributions	Generally paid on a quarterly basis
Management fees and costs <sup>3</sup>	1.10%

## Get in touch



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<sup>1</sup> Inception date is 4 April 2025

<sup>2</sup> The Leadenhall UCITS ILS Fund PLC

<sup>3</sup> Management fees and costs consist of annual management fee rate and capped recoverable expenses. For a detailed split of the fees and costs, please refer to the fund(s) IM.

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