

Performance report | 31 December 2025

LCP Insurance Linked Securities Fund - AUD Class

Net returns

	1 mth	3 mth	6 mth	Since inception ¹
Fund	0.41%	2.12%	4.76%	6.05%

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

Fund commentary

The fund's return has been driven by the carry yield of the investments and the mark to market price changes that have occurred over the month. With no significant catastrophe event materially impacting the Cat Bond market in December and with increasing primary market issuance volumes, we observed a traditional seasonal widening in spreads that lead to an overall negative price performance for the Cat Bond market as evidenced by the Swiss Re Cat Bond Price Return Index (a measure of the movement of secondary bid indications as provided by Swiss Re Capital Markets in their pricing indications to investors) that generated -0.40% for the month of December.

There was no major natural catastrophe impacting the Cat Bond market in December and activity in the secondary market increased as investors continued to rebalance portfolios given the acceleration of issuance in the primary market. Similarly to the end of November, the secondary market was more balanced during the month, and we saw some bonds offerings needing price concessions before finding a clearing levels. As is usually the case at this time of the year, we saw many short-dated names on offer as some investors tried to free up cash to purchase new issuance in the primary market.

Continuing on from November's trend we also saw a healthy primary pipeline with 25 new property catastrophe bonds coming to the market in December for a total USD 4bn notional, closing a record USD 23.5bn year issuance including 15 new first-time sponsors. Looking only at Rule 144A property catastrophe bonds, the amount of risk capital outstanding reached a new record of almost USD 57bn at the end of 2025. This healthy pipeline has been well received by investors as we saw most issuances able to increase their targeted size while at the same time tightening their initial price guidance.

As mentioned in our previous newsletter, with no major industry loss since the January wildfires, robust retained earnings from reinsurers and ILS investors coupled with fresh capital entering the market, and with demand growing at a slightly lower pace than the capital becoming available in the market, conditions were set for a slight reduction in risk adjusted premiums at the January 1st renewal. As we begin the new year, Guy Carpenter's U.S. Property Catastrophe Rate-on-Line Index, has indicated that, on average, reinsurance premiums fell an estimated 12% year over year at the January 1 property catastrophe reinsurance renewals. Despite this moderation, premiums remain 70% higher than in 2017, the most recent market bottom. More importantly, terms and conditions have remained attractive, with high attachment points supporting lower attritional loss frequency and continued stable portfolio outcomes for investors.

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 ²	1.20%

How to invest

The Fund is open to investors via the Application form (available on the [website](#)), or the following platforms.

- Mason Stevens
- Netwealth

Get in touch



bennelongfunds.com



client.experience@bennelongfunds.com



1800 895 388 (AU) / 0800 442 304 (NZ)

¹ Inception date is 4 April 2025

² 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.

The information in this document is intended for use by institutional investors only and is not for retail use.

This information is issued by Bennelong Funds Management Ltd (ABN 39 111 214 085, AFSL 296806) (BFML) in relation to the LCP Insurance Linked Securities Fund (AUD Class) and institutional mandates.

The information provided is general information only. It does not constitute financial, tax or legal advice or an offer or solicitation to subscribe for units in any fund of which BFML is the Trustee or Responsible Entity (Bennelong Fund). This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, you should consider the appropriateness of the information based on your own objectives, financial situation or needs or consult a professional adviser. You should also consider the relevant Information Memorandum (IM) which is available on the BFML website, bennelongfunds.com, or by phoning 1800 895 388 (AU) or 0800 442 304 (NZ).

Any projections, market outlooks or estimates contained in this document constitute forward looking statements and are based on certain assumptions and subject to certain known and unknown risks. While we take care in making any assumptions, such forward looking statements should not be relied upon as being indicative of future performance or events.

BFML may receive management and or performance fees from the Bennelong Funds, details of which are also set out in the current IM. None of BFML, their affiliates or associates accept liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information. All investments carry risks. There can be no assurance that any Bennelong Fund will achieve its targeted rate of return and no guarantee against loss resulting from an investment in any Bennelong Fund. Past fund performance is not indicative of future performance. Information is current as at the date of publication.

This document has been prepared for institutional investors and other clients who are "wholesale clients" as that term is used in the Corporations Act (Cth) 2001. Investors outside Australia will need to consider the legal, tax and other consequences of making an investment in the strategy, and this document is not intended as a solicitation outside of Australia.