

# Performance report | 28 February 2026

## LCP Insurance Linked Securities Fund - AUD Class

### Net returns

	1 mth	3 mth	6 mth	Since inception <sup>1</sup>
Fund	0.38	1.17	4.22	6.85

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

### Fund commentary

The Leadenhall UCITS Fund returned 0.38% in the month of February.

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 February and with ongoing primary market issuance, traditional seasonal widening in spreads continued, leading 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 -0.29% for the month of February.

In terms of natural catastrophe activity, February saw a few more winter storms impacting the US with snow and ice, but none was large enough to put the Cat Bond market at risk. We mentioned winter storm Fern in our previous newsletter hitting large areas of the U.S. and Canada at the end of January for which early insured losses were estimated between USD 1bn and USD 6.4bn. PCS (the organisation that provides independent, industry-wide estimates of insured losses following major disasters) has now published its preliminary estimate at around USD 3bn (for reference, historic winter storms such as Storm Uri in 2021 and the 1993 "Storm of the Century" have normalised present-day value of insurance losses exceeding USD 10bn). At this level of loss, the only impact currently seen for the Cat Bond market is a potential erosion of the aggregate limits in certain Cat Bonds which could marginally reduce remaining protection for subsequent events in 2026, a portion of the market that the portfolio underweights, especially the most junior structures.

When it comes to geopolitical risk, the fund has no direct exposure to the escalating conflict in the Middle East. Despite the increased volatility observed in the wider capital market, the Cat Bond market has remained

unaffected so far, continuing to demonstrate the benefits of the low correlation of the asset class to the wider market.

Activity in the secondary market picked-up following the same dynamic as in the primary market. There were 120 trades reported in TRACE (the Trade Reporting and Compliance Engine used by the Financial Industry Regulatory Authority to provide transparency to the U.S. over-the-counter fixed-income markets), most of them happening on short dated bonds.

Activity in the primary market significantly increased with 23 new property Cat Bonds coming to the market in February for a total USD 3.6bn notional, including one first-time issuer. Most of the bonds were issued within their original targeted spread guidance while a smaller proportion managed to get a better execution. Amongst the issuers, we saw in particular one large nationwide sponsor issuing USD 1.2bn on its own, its largest placement ever. A strong pipeline of names has also already been announced early in March with 8 tranches of risk looking for at least USD 1bn of limit. We are hearing of more deals from broker-dealers which will continue to give multiple opportunities for the portfolio to take advantage of.

## 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>2</sup>	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](https://bennelongfunds.com)



[client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com)



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

<sup>2</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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