

Performance report | 31 January 2026

LCP Insurance Linked Securities Fund - AUD Class

Net returns

	1 mth	3 mth	6 mth	Since inception ¹
Fund	0.38	1.59	4.80	6.45

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

Fund commentary

The LCP Insurance Linked Securities Fund - AUD Class Fund returned 0.38% in the one-month period to 31 January 2026.

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 January 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 -0.34% for the month of January.

In terms of natural catastrophe activity, winter storm Fern which began on January 23rd saw snow and ice hit large areas of the U.S. and Canada with daily minimum temperature records set in numerous locations. Despite being an unusually intense winter storm, early insured loss estimates are ranging from USD 1bn to USD 6.4bn indicating a potentially less severe event for the industry than the historic winter storms such as Storm Uri in 2021 and the 1993 "Storm of the Century" for which normalised present-day value of insurance loss is estimated to exceed USD 10bn. The only impact currently seen for the catastrophe bond market is a potential erosion of the aggregate limits in certain catastrophe 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.

Activity in the secondary market slowed down in January compared to December following the same dynamic as in the primary market. There were 116 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) compared to 311 in December.

The primary market saw seven new property catastrophe bonds coming to the market in January for a total USD 815mn notional, including a first-time issuer. Most of the bonds were issued within their original targeted spread guidance with the exception of one tranche covering multiple perils in Canada on an aggregate basis that needed spread concession in order to be issued. A strong pipeline of names has already been announced in February with 21 tranches of risk looking for at least USD 2.5bn of limit. Broker-dealers have forecast new cat bond issuance in the range of \$19bn to \$26bn for 2026, with the average of estimates at \$23bn as new issuance will be supported by new sponsors as well as over USD 13bn in maturities, giving 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 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.