

# Performance report | 31 July 2025

## LCP Insurance Linked Securities Fund - AUD Class

### Net returns

	1 mth	3 mth	Since inception <sup>1</sup>
Fund	0.34%	1.63%	1.57%

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. As there was no major natural catastrophe impacting the Cat Bond market in July, typical seasonality through the Atlantic hurricane season drove spreads tighter and supported prices, leading to the best July performance for the fund and second-best July performance for the Cat Bond Market (as measured by the Swiss Re Global Cat Bond Index Total Return).

In terms of natural catastrophes, on July 4-5, a tropical low-pressure system developed into Tropical Storm Chantal which made landfall just south of Myrtle Beach, South Carolina, on July 6, but given its low intensity, it had no impact on the Cat Bond market. Early in July, Central Texas also experienced catastrophic flooding following torrential rainfall (1-in-1000-year rainfall event as quoted by the broker Aon). The Guadalupe River rose rapidly, surpassing the recent peak levels of the historic 1987 flood and a major disaster was declared, with Kerr County hardest hit and more than 120 fatalities reported. Despite the unprecedented nature of the event, there was no impact to the Cat Bond market as the zone hit is mostly rural and many counties affected by the heaviest rains and flooding also have low public flood insurance penetration. Take-up rates are typically at or below 5% for these areas according to the National Flood Insurance Program (NFIP). Lastly, at the end of July a magnitude 8.8 earthquake struck off Russia's remote Kamchatka Peninsula as one of the most powerful quakes ever recorded. The earthquake prompted widespread tsunami warnings across the Pacific but no significant destruction from tsunami waves was reported in Japan, Hawaii or California leaving the Cat Bond market unaffected as the Kamchatka Peninsula is sparsely populated and Russian natural catastrophe risks not covered by Cat Bond programs. A few brokers have now reported global insured losses from natural catastrophes between \$80bn and \$100bn in the first half of the year, with the majority being in the United States. According to the brokers, the insured losses were higher than the 10-year average (\$54bn), mainly driven by the large California

Wildfires which occurred in January of this year and the Severe Convective Storms activity in the US, but as the fund continues to focus on primary perils, it has remained mostly unaffected by those events.

With the new issuance calendar winding down, supply was quite limited in July and the trend witnessed towards the end of June intensified with buyers of risk outnumbering sellers in the secondary market. Some investors took advantage of higher prices and sold some risk, however, mostly in small size.

### 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)



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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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