

Performance report | 31 May 2025

LCP Insurance Linked Securities Fund - AUD Class

Net returns

	1 mth	Since inception ¹
Fund	0.27%	0.21%

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

Fund commentary

The Fund has returned 0.21% since inception¹.

The Master 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. There was no major natural catastrophe impacting the Cat Bond market in May, but spreads continued to drift wider driven by the heavy primary issuance and traditional seasonal repricing. Supply and demand factors have been driving the yield of the catastrophe bond market just as much as seasonality in recent months, but as the North-Atlantic Hurricane season begins and the primary pipeline slowly comes to an end for H1 2025, we are expecting the spread widening to stop and prices to rise again (absent any major natural catastrophe).

The convective storms season that started in the US in March has caused close to USD 20bn of insured losses so far (as reported by PCS at the end of May 2025) which did not impact the fund given the reduced exposure to higher risk aggregate transactions in the portfolio. It has however continued to impact a few Cat bonds in the market (not held in the portfolio) that were already under pressure because of the January Los Angeles wildfires.

May was another active month for catastrophe bond trading in the secondary market. As new issuance was announced, upsized, placed, and priced all month-long, market participants rebalanced portfolios accordingly using the secondary market to manage capital and/or place views on market pricing.

Primary market issuance reached a record USD 6.1bn in May alone with 30 new tranches of risk placed in the market during the month, including a few jumbo deals, helping spreads at issuance to remain elevated on an historical basis. LCP has also now completed the key June 1st Non-Life property catastrophe reinsurance renewals. While premiums have softened slightly, the market remained disciplined. Increased demand for reinsurance protection met adequate supply, and the market managed to find a new equilibrium after a period of significant price increases.

This new level continues to offer excellent risk-adjusted returns and will continue to support premiums in the Cat bond market too.

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.

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