

# Levendi Thornbridge Defined Return Fund

## Investment Objective

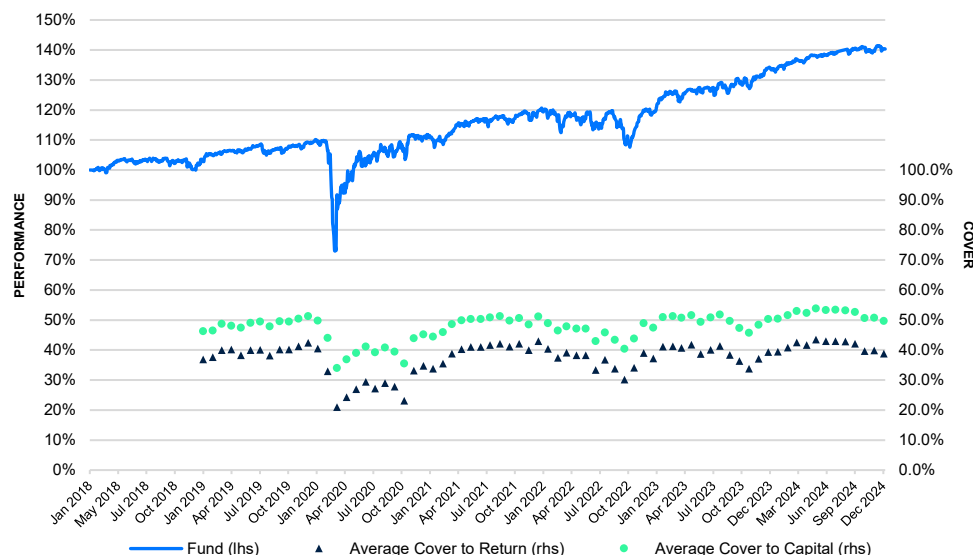
The Fund aims to maximise the chance of generating an average medium-term annual return of SONIA + 6.00%. The Fund is a diversified portfolio of Defined Return Investments linked to major market equity indices. The product selection and portfolio management process leverages SPIRE, our 100% proprietary risk analysis tool used to optimise the risk adjusted returns of each investment whilst adhering to the investment criteria of the Fund.

## Manager Commentary

December saw UK and US markets logging a -1.38% and -2.5% loss, with European markets being the only market in the green, with a positive gain of 1.91%. Needless to say, a general Santa rally failed to materialise this year. One could argue Santa simply came in early, with November's Trump victory giving markets a sugar rush. Starting with the US, the strong Tech sector couldn't carry the rest of the sectors enough to overcome the selling pressure from a nervous Fed. Preferring a hawkish tone after it had voted for its third cut of the year, the Fed alluded to less cuts in 2025 than expected. The reality the Fed seems to contend with is that the US economy is strong, with above normal core inflation of 3.3%, yet feels under (political?) pressure to cut. A wholly inflationary US agenda in 2025 and beyond is likely to make any loose policy a costly mistake, and yields rallying are a testament to an increasingly vigilant market with regards to that tight rope. Across the Atlantic, the ECB's move to cut rates in December was widely expected with an inflation rate under better control than its peers, and where stoking growth is the primary preoccupation – along with quickly rebounding from Government collapses in France and Germany of course. Europe's economic data held relatively steady, witnessing even a service sector activity rebound according to surveys. Going the other way is the UK's BoE, deciding to pause cuts leaving headline rates at 4.75%, on the back of very strong wage growth coming in far higher than their expectations. The UK's Gilts market has also been ringing the alarm bell over the risk of fiscal and monetary policy not working in harmony, especially in a fragile world economy. The Fund fell 0.08% against this backdrop.

The month saw a healthy amount of roll, with 3 new positions being put on totalling £15m in notional and with coupons as high as 8.92%. The new positions of course retain our characteristic large buffers. As such the year is closed with a whopping 32 position Autocalling, amounting to c. £86m in aggregate notional rolled throughout the year. Buffers remained industry leading with a 49.7% average buffer to capital preservation, with the worst performing position still enjoying a 43.1% buffer (i.e markets need to drop 43.1% for its capital to start being affected, with no cliff-edge experienced). The Fund's Assets under Management grew over 20% during the year, and achieved significant milestones, including the development of new relationships with key industry players. We express our sincere gratitude to our investors and our friends across the industry for their continued support. We are excited to build upon our successes and cultivate even more partnerships in 2025. Onwards !

## Fund Performance: B Class Institutional



Source: Levendi Investment Management 31/12/2024. Graph starts at Fund launch date. \*Since Inception (31st of January 2018), rhs

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KEY FACTS	
Fund AUM	£133.3M
Base Currency	GBP
Liquidity	Daily
Share Type	B Class: Institutional A Class: Retail
NAV	B ACCUM: £1.4031 A ACCUM: £1.3691 A DISTRIB (5% p.a.): £1.3446
Initial Charge	0%
Annual Management Charge	B Class: 60BPS A Class: 75BPS I Class: 75BPS
OCF <sup>1</sup>	B Class: 76BPS A Class: 91BPS I Class: 166BPS
Launch Date	31st January 2018
Structure	UCITS V
Domicile	Ireland
ISIN	B ACCUM: IE00BYV3WJ85 A ACCUM: IE00BYV3WG54 A DISTRIB: IE00BYV3WH61
SEDOL	B ACCUM: BYV3WJ8 A ACCUM: BYV3WG5 A DISTRIB: BYV3WH6
BLOOMBERG	B ACCUM: SLSRFBA ID A ACCUM: SLSRFAA ID A DISTRIB: SLSRFAD ID
Pricing	Daily COB
DEALING	
Deadline	Daily 10:30am
Telephone	+353 (0) 1 434 5124
Fax Order	+353 (0) 1 434 5285
Email	davy_ta_queries@ntrs.com
FURTHER INFORMATION	
<sup>1</sup> A full list of fees and expenses associated with your investment is in the Fund Supplement under the section titled 'Fees and Expenses'.	
The Fund is actively managed with reference to SONIA as per the Fund Supplement.	
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## Fund Performance: B Class Institutional

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	FY
2018	–	0.54%	0.34%	2.32%	(0.07%)	(0.44%)	0.77%	(0.47%)	0.95%	(0.86%)	(0.02%)	(2.96%)	0.11%
2019	4.15%	0.55%	1.21%	0.41%	(0.78%)	1.47%	0.96%	(1.71%)	0.98%	0.08%	0.60%	0.51%	8.66%
2020	(0.52%)	(5.37%)	(10.93%)	7.10%	5.31%	(0.32%)	0.42%	3.18%	(0.03%)	(2.14%)	6.09%	0.40%	1.76%
2021	(2.88%)	0.91%	4.13%	1.81%	1.02%	0.22%	0.04%	1.00%	(1.00%)	1.68%	(1.51%)	2.80%	8.33%
2022	(1.09%)	(0.20%)	0.25%	(1.05%)	1.47%	(3.69%)	3.57%	(2.85%)	(6.02%)	4.76%	5.55%	(0.54%)	(0.50%)
2023	4.50%	0.61%	0.02%	0.98%	(0.82%)	1.36%	1.39%	(0.67%)	1.00%	(1.33%)	2.63%	2.36%	12.55%
2024	0.31%	0.62%	0.83%	0.48%	0.47%	0.14%	0.89%	0.58%	0.12%	(0.78%)	0.83%	(0.08%)	4.49%

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS
Cumulative Fund Performance	(0.08%)	(0.04%)	1.56%	4.49%	17.01%	28.99%

Past performance does not predict future returns. Net of fees in GBP. Source: Levendi Investment Management 31/12/24

## Levels Summary

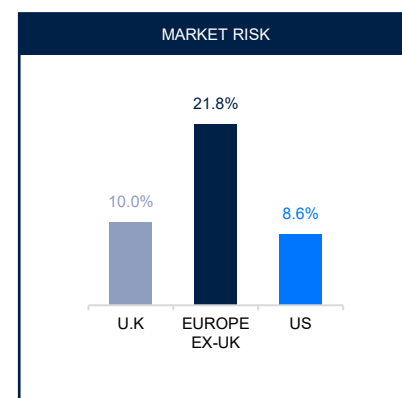
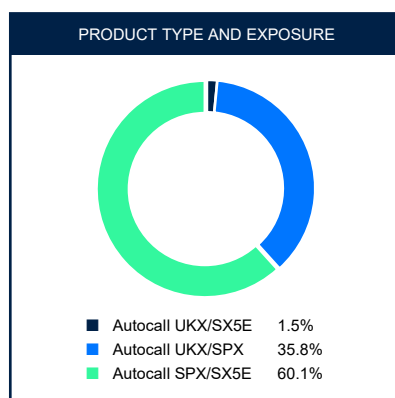
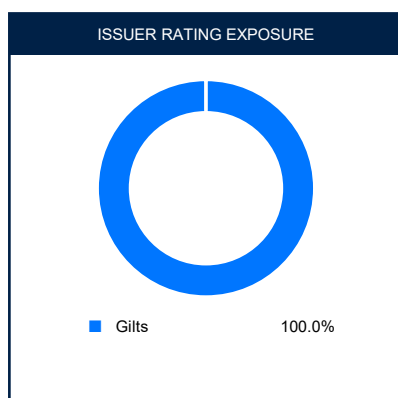
COVER	LOWEST	AVERAGE	HIGHEST
To achieve the target return	32.6%	38.8%	56.1%
To capital preservation	43.1%	49.7%	64.2%

	CURRENT PRODUCTS
Products Autocalling at current market levels	52.9%

## Portfolio Composition

TOP 5 HOLDINGS	
Gilt-Backed 10YR UKX/SPX Autocall 8.92%	4.9%
Gilt-Backed 10YR UKX/SPX Autocall 8.4%	4.7%
Gilt-Backed 10YR UKX/SPX Autocall 8.7%	4.7%
Gilt-Backed 10YR SX5E/SPX Autocall 8.9%	4.4%
Gilt-Backed 10YR SX5E/SPX Autocall 8.9%	4.1%

## Fund Exposures



Source: Levendi Investment Management 31/12/24

## Available via the following platforms and others

AJ BELL	ALL FUNDS	AVIVA	BENCHMARK CAPITAL	CANADA LIFE
CHARLES STANLEY	FIDELITY	HSBC LIFE	JAMES BREARLEY	JAMES HAY PARTNERSHIP
M&G WEALTH	NUCLEUS	PARMENION	QUILTER	RAYMOND JAMES
BREWIN DOLPHIN	RL360	STANDARD LIFE	TRANSACT	TRUE POTENTIAL



## SPIRE Analysis



In the tables below, we show summary details for the Fund. For each metric we show a figure that is weighted by the expected term to the maturity for each position within the Fund. It is important to note that these values are not forecasts, they are estimates we have calculated based on the inputs of our stress testing process. This has been developed to allow us to compare positions and other assets. Where applicable, figures are gross of fees.

In the table immediately below\*, figures are calculated as an instantaneous fall. It is only an estimate of performance in different market scenarios, taking into account current parameters which can be subject to change. The below should not be taken as exact performances.

MARKET MOVE	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
IRR	-0.2%	6.4%	6.4%	6.4%	7.5%	13.4%	13.4%	13.4%	13.4%
DURATION	9.4 years	9.4 years	9.4 years	9.4 years	3.2 years	0.5 years	0.5 years	0.5 years	0.5 years

RETURN ESTIMATES	METRIC	VALUE
What are the best 10% of possible returns?	VaR 10	25.1%
What is the chance of a positive return?	Chance of Gain	93.3%
What is the average gain when there is a positive return?	Conditional Gain	14.2%
What is the expected average return?	Arithmetic Return	6.9%

RISK ESTIMATES	METRIC	VALUE
What is the loss based on the average of the worst 5% of outcomes?	CVaR 95% Loss	-50.9%
What is the chance of a loss?	Chance of Loss	6.7%
What is the average return in the scenarios where there is a loss?	Conditional Loss	-9.9%
What is the realised volatility of the portfolio returns?	Volatility (90d)	3.7%
How far do markets have to fall before the maturity value is less than 100% on average?	Avg. Fall to Capital Breach	49.7%
What is the average probability of the maturity value of each investment held being less than 100%?	Avg. Prob of Capital Breach	4.8%
What is the highest probability of the maturity value of any investment held being less than 100%?	Max. Prob of Capital Breach	7.8%

FACTOR EXPOSURE	METRIC	VALUE
Change in Fund price if all market levels change by 1%	Beta	0.34
Change in Fund price if interest rates change by 0.01%	Rho	0.0%
Change in Fund price if volatility increases +1%	Vega	-0.7%
Change in Fund price from the passage of one day	Theta	0.02%
Average duration of the Fund's products	Duration	2.3 years

### Disclaimer and Important Information

\*Figures accurate as of time of publishing/distribution.

There are risks associated with your investment that could adversely impact the Fund's profitability or result in losses. For a full list of these risks, please refer to the section "Risk Factors" set out in the ICAV prospectus and supplement of the Fund. Levendi Thornbridge Defined Return Fund is a sub-fund of Skyline Umbrella Fund ICAV, an Irish Collective Asset Management Vehicle ("ICAV") established as an umbrella fund with segregated liability between sub-funds, regulated by the Central Bank of Ireland.

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