



LEVENDI

INVESTMENT MANAGEMENT

29th September 2023

LEVENDI THORNBRIDGE DEFINED RETURN FUND

INVESTMENT OBJECTIVE

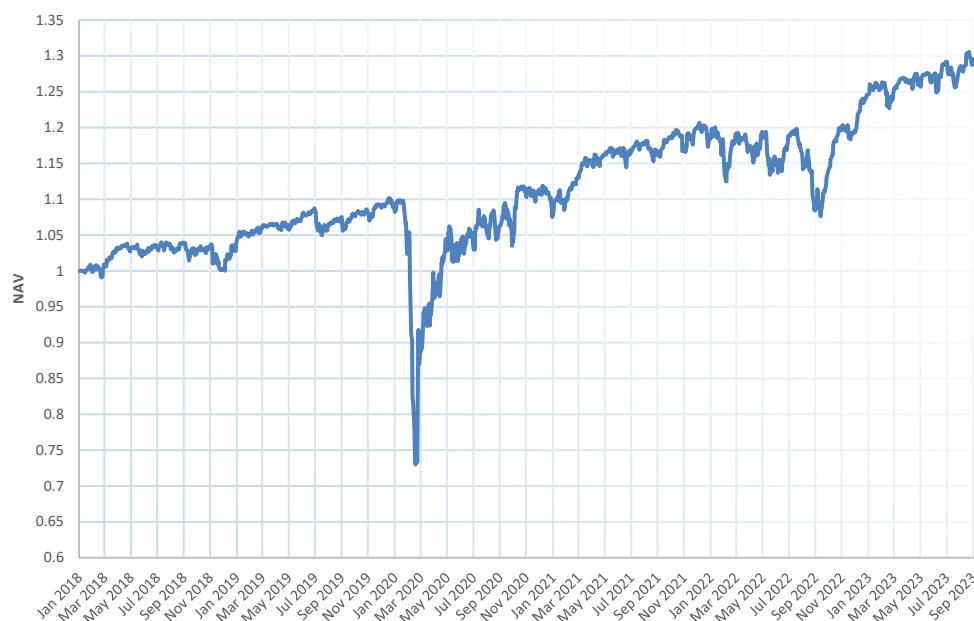
The Fund aims to maximise the chance of generating an average medium-term annual return of 6% above GBP deposit rates. The Fund is a diversified portfolio of Defined Return Investments linked to major market equity indices. The product selection and portfolio management process leverages a proprietary product analysis platform in optimizing the risk and return metrics for each investment whilst adhering to the investment criteria of the Fund.

MANAGER COMMENTARY

September saw our reference markets diverge rather dramatically as UK equities logged a 2.27% gain, while European and US equities logged a 2.85% and 4.87% loss respectively. Against this backdrop, the fund's relatively higher exposure to UK equities allowed it to still rise 1%. Central bankers were most certainly in the spotlight, as both the US Fed and Bank of England paused increasing rates any further, giving themselves time to assess the impact from late and therefore aggressive rate hikes. In the US the 'hawkish pause' sent markets lower as the 'higher for longer' mantra is finally sinking in, and the message further confirmed by the central bank. Forecasts of a stronger economy in 2023/4 increased projections of how long rates would need to stay elevated, hitting equity and bond markets as witnessed by yields. In the UK, the fund's highest exposure, the very close vote to pause was taken in a more positive note as confirmed by the markets. Compounding the effect is the UK's post-pandemic recovery being revised much higher, 2% larger than previously estimated and roughly inline with G7 nations - a welcomed reversal. Even more importantly, reports of a potential ISA shake up could boost demand for UK equity and meaningfully push valuations higher. Details remain to be confirmed, most likely in the following months. Needless to say the fund remains uniquely well positioned to take advantage of any further UK equities outperformance.

Although far from target, inflation has undeniably come down from the dizzying heights seen recently. The disinflation however is chiefly explained by much lower commodity prices, core inflation is yet to meaningfully drop lower - held up by its stickiness. It is not unreasonable to expect commodities to have more upside than downside at this stage, which is why we continue being 'cautiously optimistic'. The fund saw £15.9m in notional mature early during the month, the majority of which were notes. The products returned anywhere from 8% to 38%. These proceeds were rolled into products yielding as high as 9.1%pa, all in the gilt-backed format. This slashes the credit exposure of the fund to circa a third of that of only a month ago, with clear benefits. The current figure of 5.6% is expected to go even lower the following month.

FUND PERFORMANCE - B CLASS INSTITUTIONAL



Source: Levendi Investment Management 29/9/23. Graph starts at Fund launch date.
*Since Inception (31st of January 2018), rhs

KEY FACTS

FUND AUM ¹	£108.6M
BASE CURRENCY	GBP
LIQUIDITY	DAILY
SHARE TYPE	B CLASS: INSTITUTIONAL A CLASS: RETAIL
NAV	B ACCUM: £1.2955 A ACCUM: £1.2654 A DISTRIB: £1.2438
INITIAL CHARGE	0%
ANNUAL MANAGEMENT CHARGE	B CLASS: 60BPS A CLASS: 75BPS I CLASS: 75BPS
OCF ¹	B CLASS: 76BPS A CLASS: 91BPS I CLASS: 166BPS
LAUNCH DATE	31 st 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
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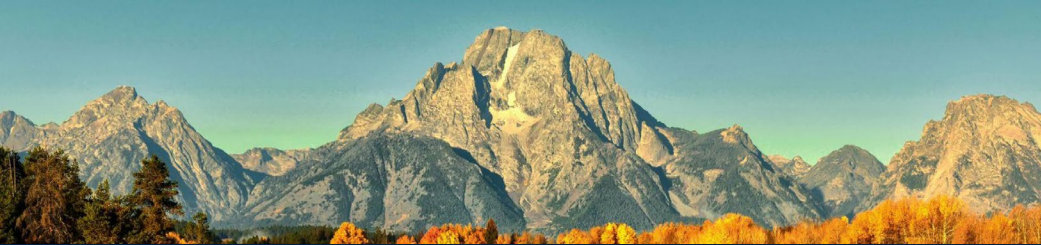
¹ A full list of fees and expenses associated with your investment is in the Fund Supplement under the section titles "Fees and Expenses"

The Fund is actively managed with reference to Libor as per the Fund Supplement

FURTHER INFORMATION

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FUND PERFORMANCE - B CLASS INSTITUTIONAL

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	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%				8.58%

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS
Cumulative Fund Performance	1.00%	1.71%	3.25%	19.41%	22.00%	24.64%

Past performance does not predict future returns. Source: Levendi Investment Management 29/09/23

REQUIRED LEVELS

Percentage of Current Market Levels	Lowest	Average	Highest
To receive the target return	50.2%	63.7%	70.5%
Capital preservation at maturity	42.0%	52.7%	62.6%

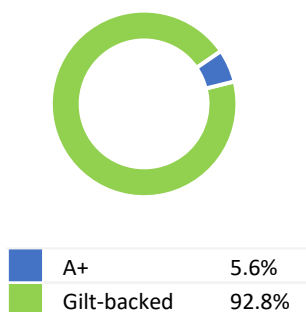
	Current Products %
Products Autocalling at current market levels	19.4%

PORTFOLIO COMPOSITION

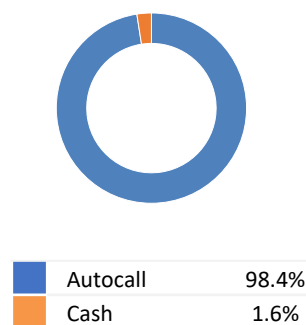
Top 5 Holdings	
Gilt-Backed 10YR UKX/SPX Autocall 8.75%	5.0%
Gilt-Backed 10YR UKX/SX5E Autocall 9.1%	4.8%
Gilt-Backed 10YR UKX/SPX Autocall 8.7%	4.2%
Gilt-Backed 10YR UKX/SX5E Autocall 8.0%	3.6%
Gilt-Backed 10YR UKX/SPX Autocall 8.75%	3.5%

FUND EXPOSURES

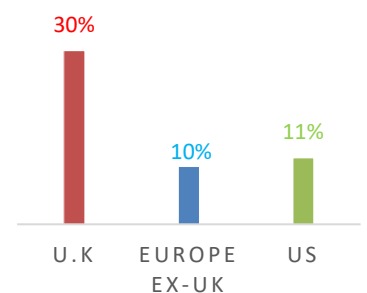
ISSUER RATING EXPOSURE



PRODUCT TYPE EXPOSURE



MARKET RISK



Source: Levendi Investment Management 29/9/23

AVAILABLE VIA THE FOLLOWING PLATFORMS AND OTHERS			
CANADA LIFE	PARMENION	OLD MUTUAL WEALTH	True Potential

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STRESS TEST 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 product within the fund. It is important to note that these values are not forecasts, they are estimates we have calculated based on the inputs to our stress testing process. This has been developed to allow us to compare one product with another, and with other assets.

In the below table*, figures are calculated as an instantaneous fall. The below 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	-0.23%	4.6%	6.2%	6.2%	6.7%	13.6%	13.6%	13.6%	13.6%
DURATION	8.9	8.9	8.9	8.9	6.7	0.5	0.5	0.5	0.5

RETURN ESTIMATES	METRIC	VALUE
WHAT ARE THE BEST 10% OF POSSIBLE RETURNS?	VaR 10	31.8%
WHAT IS THE CHANCE OF A POSITIVE RETURN?	Chance of Gain	92.5%
WHAT IS THE AVERAGE GAIN WHEN THERE IS A POSITIVE RETURN?	Conditional Gain	10.1%
WHAT IS THE EXPECTED AVERAGE RETURN?	Arithmetic Return	7.0%

RISK ESTIMATES	METRIC	VALUE
WHAT IS THE LOSS BASED ON THE AVERAGE OF THE WORST 5% OUTCOMES	CVaR 95% Loss	-46.1%
WHAT IS THE CHANCE OF A LOSS ?	Chance of Loss	7.1%
WHAT IS THE AVERAGE RETURN IN THE SCENARIOS WHERE THERE IS A LOSS?	Conditional loss	-7.4%
WHAT IS THE REALISED VOLATILITY OF THE PORTFOLIO RETURNS?	Volatility (100d)	6.4%
HOW FAR DO MARKETS HAVE TO FALL BEFORE THE MATURITY VALUE IS LESS THAN 100% ON AVERAGE?	Average fall to capital breach	47.3%
WHAT IS THE AVERAGE PROBABILITY OF THE MATURITY VALUE OF EACH INVESTMENT HELD BEING LESS THAN 100%?	Avg Prob. of capital breach	5.7%
WHAT IS THE HIGHEST PROBABILITY OF THE MATURITY VALUE OF ANY INVESTMENT HELD BEING LESS THAN 100%?	Max Prob. of capital breach	18.4%

FACTOR EXPOSURE	METRIC	VALUE
CHANGE IN FUND PRICE IF ALL MARKET LEVELS CHANGE BY 1%	Delta	0.52
CHANGE IN FUND PRICE IF INTEREST RATES CHANGE +0.01%	Rho	-0.00%
CHANGE IN FUND PRICE IF VOLATILITY INCREASES +1%	Vega	-0.79%
CHANGE IN FUND PRICE FROM THE PASSAGE OF ONE DAY	Theta	0.02%
AVERAGE DURATION OF THE FUND PRODUCTS	Duration	2.6 years

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