

LEVENDI

INVESTMENT MANAGEMENT

30th June 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.

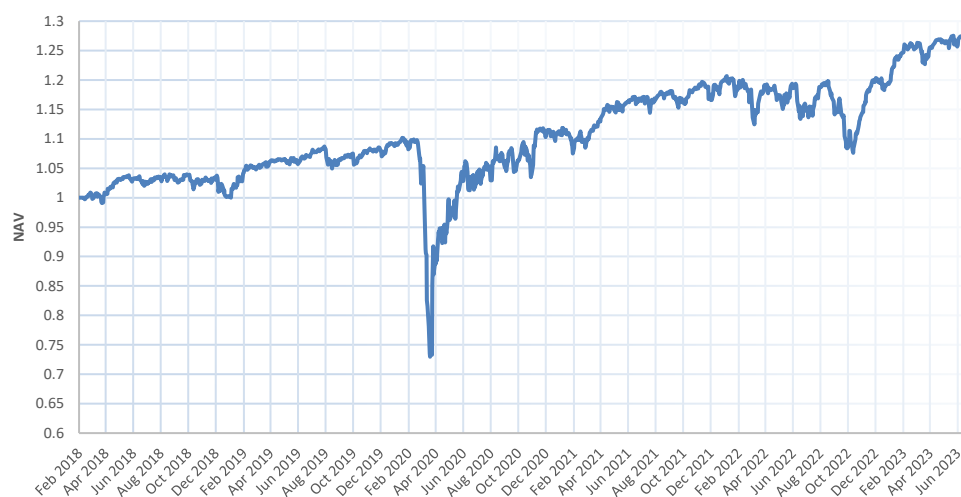
MANAGER COMMENTARY

Global equities rebounded strongly in June, erasing some losses from the previous month with UK, European and US markets logging a 1.15%, 4.29% and 6.47% gain for the month. The market took the glass half-full view turning optimistic on the world economies avoiding recessions and returning to strong growth - or at the very least, turning less pessimistic. Data continues to paint the same muddled picture observed and commented on previously. Domestically, the key themes of very high and sticky inflation coupled with tight employment and wage inflation continues to create headaches at the BoE. The UK market was the weakest market of the trio during the month, and continues (for now) to trade at a discount to its own previous levels and other markets. Investors are pricing in tough days ahead, but the question remains, will those days materialise and if so, will they be to the levels expected. Parts of the investor base are instead seeing large value in UK markets, but preferring to stick to the blue chips for now, as evidenced by the narrowing of the gap between the mid-cap and large cap index.

Across the Atlantic the US market continues to be single handedly propelled by the tech sector. The other catalyst being the unemployment rate (slightly) increasing - we did say last year that 2023 was going to be the year of bad is good after all! US markets, much like our UK and European markets, have rallied in part on the expectation that respective central banks are approaching the end of the rate hike cycle. An interesting point to see play out is the effect of fiscal policy (trillions in CARES act, Inflation reduction ACT, CHIPS act) dancing out of rhythm with monetary policy. While Congress has been stepping on the accelerator, the Fed is desperately applying the handbrake. Over to Europe, a not too dissimilar dynamic to the US is at play, with a relatively strong consumer on the whole, slowing activity and a somewhat abating inflation.

The Fund, which rose 1.36% during the month, unsurprisingly saw some turnover with 3 products maturing (one of which returning a 28% coupon). These were replaced by three new products, locking in simultaneously higher rates and more defensive features. As of month-end, two of the products were already comfortably in-the-money in great part thanks to strong US and European markets. Two of the outgoing products were Structured Notes, therefore their maturing has further reduced the Fund's exposure to credit to record lows. Our buffers continues to be among the top of the class, with the average drop to breaching capital at 50.8%.

FUND PERFORMANCE - B CLASS INSTITUTIONAL



Source: Levendi Investment Management 30/6/23. Graph starts at Fund launch date.
*Since Inception (31st of January 2018), rhs

KEY FACTS

FUND AUM ¹	£107.8M
BASE CURRENCY	GBP
LIQUIDITY	DAILY
SHARE TYPE	B CLASS: INSTITUTIONAL A CLASS: RETAIL
NAV	B ACCUM: £1.2737 A ACCUM: £1.2445 A DISTRIB: £1.2233
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 I DISTRIB: BJ56QP2
BLOOMBERG	B ACCUM: SLSRFBA ID A ACCUM: SLSRFAA ID A DISTRIB: SLSRFAD ID I DISTRIB: SLSRFIG ID
PRICING	DAILY COB
DEALING DEADLINE	DAILY 10:30AM
DEALING LINE	+353 (0) 1 434 5124
FAX ORDER	+353 (0) 1 434 5285
EMAIL	davy_ta_queries@ntrs.com

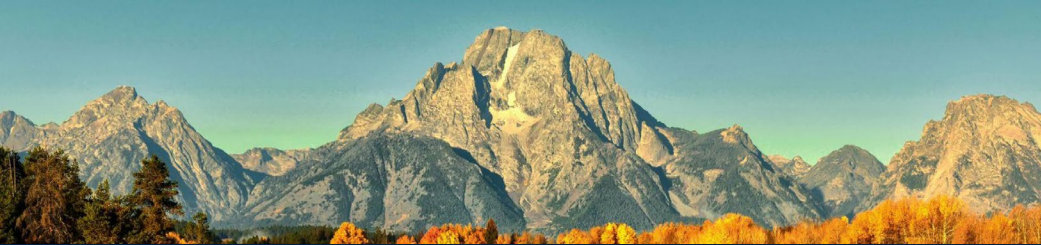
¹ A full list of fees and expenses associated with your investment is in the Fund Supplement under the section titles "Fees and Expenses"

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

FURTHER INFORMATION

LEVENDI INVESTMENT MANAGEMENT LTD
1 Heddon Street
London W1B 4BD
t: 0203 150 2842
www.levendi-im.com

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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%							6.76%

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS
Cumulative Fund Performance	1.36%	1.51%	6.76%	11.02%	24.24%	24.03%

Past performance does not predict future returns. Source: Levendi Investment Management 30/6/23

REQUIRED LEVELS

Percentage of Current Market Levels	Lowest	Average	Highest
To receive the target return	45.5%	60.0%	71.2%
Capital preservation at maturity	0.0%	49.2%	59.5%

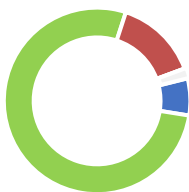
	Current Products %
Products Autocalling at current market levels	45.0%

PORTFOLIO COMPOSITION

Top 5 Holdings	
Gilt-Backed 10YR UKX/SX5E Autocall 7.2%	4.9%
Gilt-Backed 10YR UKX/SX5E Autocall 8.0%	3.5%
Gilt-Backed 10YR UKX/SX5E Autocall 6.8%	3.5%
Gilt-Backed 10YR UKX/SPX Autocall 8.75%	3.5%
Gilt-Backed 10YR UKX/SPX Autocall 8.1%	3.0%

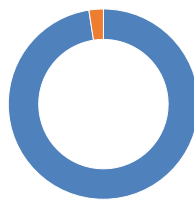
FUND EXPOSURES

ISSUER RATING EXPOSURE



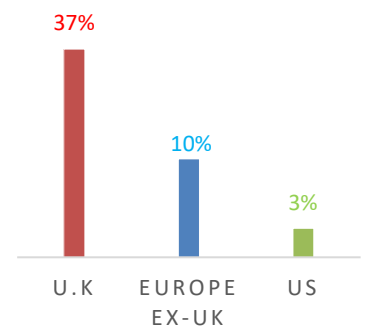
A+	11.6%
A-	1.7%
BBB+	1.8%
Gilt-backed	82.0%

PRODUCT TYPE EXPOSURE



Autocall	97.1%
Cash	2.9%

MARKET RISK



Source: Levendi Investment Management 30/6/23

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	-0.9%	5.8%	5.9%	5.9%	6.9%	14.5%	14.5%	14.5%	14.5%
DURATION	8.0	8.0	8.0	8.0	3.1	0.4	0.4	0.4	0.4

RETURN ESTIMATES	METRIC	VALUE
WHAT ARE THE BEST 10% OF POSSIBLE RETURNS?	VaR 10	19.5%
WHAT IS THE CHANCE OF A POSITIVE RETURN?	Chance of Gain	92.9%
WHAT IS THE AVERAGE GAIN WHEN THERE IS A POSITIVE RETURN?	Conditional Gain	11.0%
WHAT IS THE EXPECTED AVERAGE RETURN?	Arithmetic Return	7.9%

RISK ESTIMATES	METRIC	VALUE
WHAT IS THE LOSS BASED ON THE AVERAGE OF THE WORST 5% OUTCOMES	CVaR 95% Loss	-32.7%
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	-6.9%
WHAT IS THE REALISED VOLATILITY OF THE PORTFOLIO RETURNS?	Volatility (100d)	6.5%
HOW FAR DO MARKETS HAVE TO FALL BEFORE THE MATURITY VALUE IS LESS THAN 100% ON AVERAGE?	Average fall to capital breach	50.8%
WHAT IS THE AVERAGE PROBABILITY OF THE MATURITY VALUE OF EACH INVESTMENT HELD BEING LESS THAN 100%?	Avg Prob. of capital breach	4.9%
WHAT IS THE HIGHEST PROBABILITY OF THE MATURITY VALUE OF ANY INVESTMENT HELD BEING LESS THAN 100%?	Max Prob. of capital breach	14.9%

FACTOR EXPOSURE	METRIC	VALUE
CHANGE IN FUND PRICE IF ALL MARKET LEVELS CHANGE BY 1%	Delta	0.50
CHANGE IN FUND PRICE IF INTEREST RATES CHANGE +0.01%	Rho	-0.00%
CHANGE IN FUND PRICE IF VOLATILITY INCREASES +1%	Vega	-0.69%
CHANGE IN FUND PRICE FROM THE PASSAGE OF ONE DAY	Theta	0.04%
AVERAGE DURATION OF THE FUND PRODUCTS	Duration	2.5 years

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