



LEVENDI

INVESTMENT MANAGEMENT

31<sup>st</sup> May 2024

## LEVENDI THORNBRIDGE DEFINED RETURN FUND

### INVESTMENT OBJECTIVE

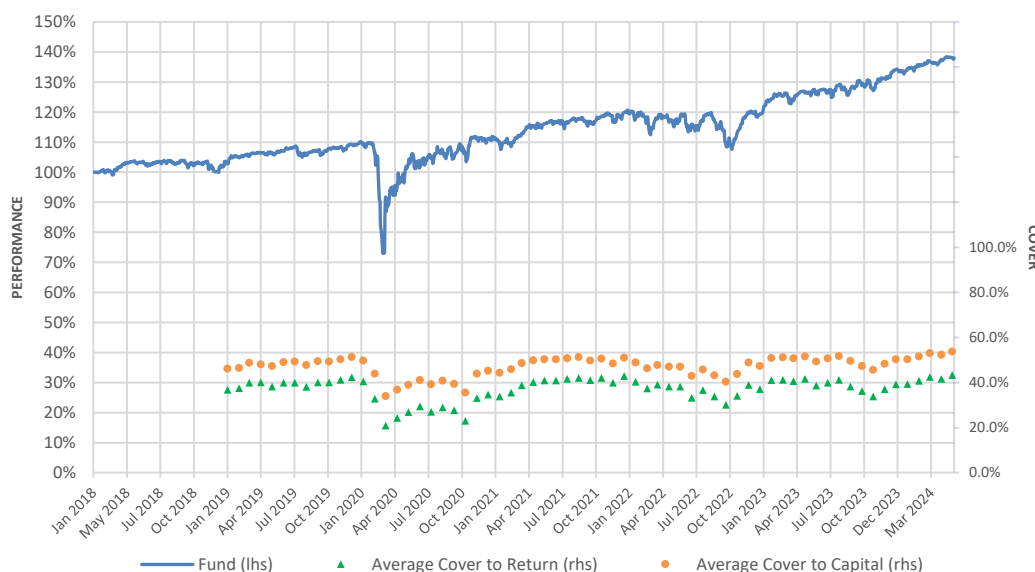
The Fund aims to maximise the chance of generating an average medium-term annual return of 6% above GBP deposit rates. The Fund is a diversified portfolio of Defined Return Investments linked to major market equity indices. The product selection and portfolio management process leverages SPIRE, our 100% proprietary risk analysis tool used to optimize the risk and return profile for each investment whilst adhering to the investment criteria of the Fund.

### MANAGER COMMENTARY

May was a relatively choppy month in the markets, with a strong rally in the first half, then most of the gains being given up by the end of the month. Still, all our reference markets finished in the green, with UK, European and US markets finishing up 1.61%, 1.27% and 4.8% respectively. The Fund logged a 0.47% rise in May. The US market continues to be bolstered by strong employment data and earning growth rates. S&P500 juggernauts continue to lead the march, but pleasingly, a broadening of participation is happening. The flipside to the pleasing data is that inflation continues to be sticky and therefore rate cuts not happening this year are not in the realm of the impossible anymore. This is quite a change of tone from the 6 to 7 cuts priced in a quarter or so ago. UK inflation on the other hand is now considerably below US inflation, yet another reversal. Despite Sunak announcing an early general election in July, the equity, bond and currency markets are seemingly largely ignoring it. Perhaps thanks to the disastrous polling bringing about some certainty, something Mr Market often appreciates. Nevertheless, a cut most likely imminently after the election should ease cost of capital, improve profit margins and boost valuations. Headwinds overall are still present, only talked less about. The Middle East conflict is showing no end, the Ukraine conflict continues to be attritional and costly, and 3 major elections are happening very shortly, that could shake up the EU, US and UK.

During the month, 3 positions of c. £6.5m in notional autocalled (and reinvested), returning coupons of around 8.5%. The new positions having exposure to both European and US markets serves to further 'naturally' balance the Fund's market exposure between the three indices. Particular attention continues to be given to downside protection of the Fund with the average fall in the worst performing underlying index required for capital to be affected now reaching almost 54%. Further still, our worst performing product still requires a 46% drop in markets for its capital to start being affected. Sensitivities continue to be in line with expectations.

### FUND PERFORMANCE - B CLASS INSTITUTIONAL



Source: Levendi Investment Management 31/05/2024. Graph starts at Fund launch date.  
\*Since Inception (31<sup>st</sup> of January 2018), rhs

### KEY FACTS

FUND AUM <sup>1</sup>	£116.0M
BASE CURRENCY	GBP
LIQUIDITY	DAILY
SHARE TYPE	B CLASS: INSTITUTIONAL A CLASS: RETAIL
NAV	B ACCUM: £1.3796 A ACCUM: £1.3462 A DISTRIB (5% p.a): £1.3232
INITIAL CHARGE	0%
ANNUAL MANAGEMENT CHARGE	B CLASS: 60BPS A CLASS: 75BPS I CLASS: 75BPS B CLASS: 76BPS
OCF <sup>1</sup>	A CLASS: 91BPS I CLASS: 166BPS
LAUNCH DATE	31 <sup>st</sup> 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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EMAIL	davy_ta_queries@ntrs.com

<sup>1</sup> 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 GBP Deposit rates as per the Fund Supplement.

### FURTHER INFORMATION

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INVESTMENT MANAGEMENT

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%	(1.33%)	2.63%	2.36%	12.55%
2024	0.31%	0.62%	0.83%	0.48%	0.47%								2.74%

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS
Cumulative Fund Performance	0.47%	1.79%	5.16%	9.79%	18.75%	30.51%

Past performance does not predict future returns. Net of fees in GBP. Source: Levendi Investment Management 31/05/24

LEVELS SUMMARY

COVER	Lowest	Average	Highest
To achieve the target return	33.8%	43.4%	58.0%
To capital preservation	46.0%	53.8%	64.8%

	Current Products %
Products Autocalling at current market levels	91.7

PORTFOLIO COMPOSITION

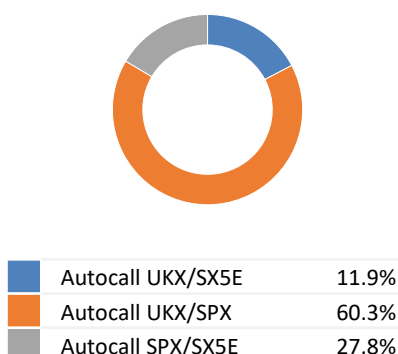
Top 5 Holdings	
Gilt-Backed 10YR UKX/SPX Autocall 8.75%	4.9%
Gilt-Backed 10YR UKX/SPX Autocall 9.15%	4.8%
Gilt-Backed 10YR SX5E/SPX Autocall 8.25%	4.3%
Gilt-Backed 10YR UKX/SPX Autocall 8.7%	4.1%
Gilt-Backed 10YR UKX/SPX Autocall 9.25%	3.4%

FUND EXPOSURES

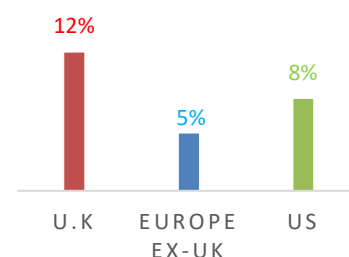
ISSUER RATING EXPOSURE



PRODUCT TYPE AND EXPOSURE



MARKET RISK



Source: Levendi Investment Management 31/05/24

AVAILABLE VIA THE FOLLOWING PLATFORMS AND OTHERS

			FIDELITY
CANADA LIFE	PARMENION	OLD MUTUAL WEALTH/ QUILTER	True Potential

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## 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 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. 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	3.2%	6.1%	6.1%	6.3%	9.5%	10.0%	10.0%	10.0%	10.0%
DURATION	8.7	8.7	8.7	5.8	0.6	0.5	0.5	0.5	0.5

RETURN ESTIMATES	METRIC	VALUE
WHAT ARE THE BEST 10% OF POSSIBLE RETURNS?	VaR 10	20.9%
WHAT IS THE CHANCE OF A POSITIVE RETURN?	Chance of Gain	93.7%
WHAT IS THE AVERAGE GAIN WHEN THERE IS A POSITIVE RETURN?	Conditional Gain	15.9%
WHAT IS THE EXPECTED AVERAGE RETURN?	Arithmetic Return	11.2%

RISK ESTIMATES	METRIC	VALUE
WHAT IS THE LOSS BASED ON THE AVERAGE OF THE WORST 5% OUTCOMES	CVaR 95% Loss	-35.2%
WHAT IS THE CHANCE OF A LOSS ?	Chance of Loss	4.2%
WHAT IS THE AVERAGE RETURN IN THE SCENARIOS WHERE THERE IS A LOSS?	Conditional loss	-7.0%
WHAT IS THE REALISED VOLATILITY OF THE PORTFOLIO RETURNS?	Volatility (100d)	3.1%
HOW FAR DO MARKETS HAVE TO FALL BEFORE THE MATURITY VALUE IS LESS THAN 100% ON AVERAGE?	Average fall to capital breach	53.8%
WHAT IS THE AVERAGE PROBABILITY OF THE MATURITY VALUE OF EACH INVESTMENT HELD BEING LESS THAN 100%?	Avg Prob. of capital breach	3.1%
WHAT IS THE HIGHEST PROBABILITY OF THE MATURITY VALUE OF ANY INVESTMENT HELD BEING LESS THAN 100%?	Max Prob. of capital breach	8.3%

FACTOR EXPOSURE	METRIC	VALUE
CHANGE IN FUND PRICE IF ALL MARKET LEVELS CHANGE BY 1%	Delta	0.25
CHANGE IN FUND PRICE IF INTEREST RATES CHANGE BY 0.01%	Rho	0.01%
CHANGE IN FUND PRICE IF VOLATILITY INCREASES +1%	Vega	-0.5%
CHANGE IN FUND PRICE FROM THE PASSAGE OF ONE DAY	Theta	0.03%
AVERAGE DURATION OF THE FUND PRODUCTS	Duration	1.8 years

## DISCLAIMER AND IMPORTANT INFORMATION

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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