



LEVENDI

INVESTMENT MANAGEMENT

30th April 2020

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

With the historical events of March now appearing in the rear view mirror, the equity markets were buoyed by optimism of achieving a timely and effective solution to controlling the coronavirus spread and the prospect of early advances in the quest for a vaccine. Despite the woes of the oil sector, which have also proved historical in achieving negative settlement prices, the equity markets posted a positive return for April.

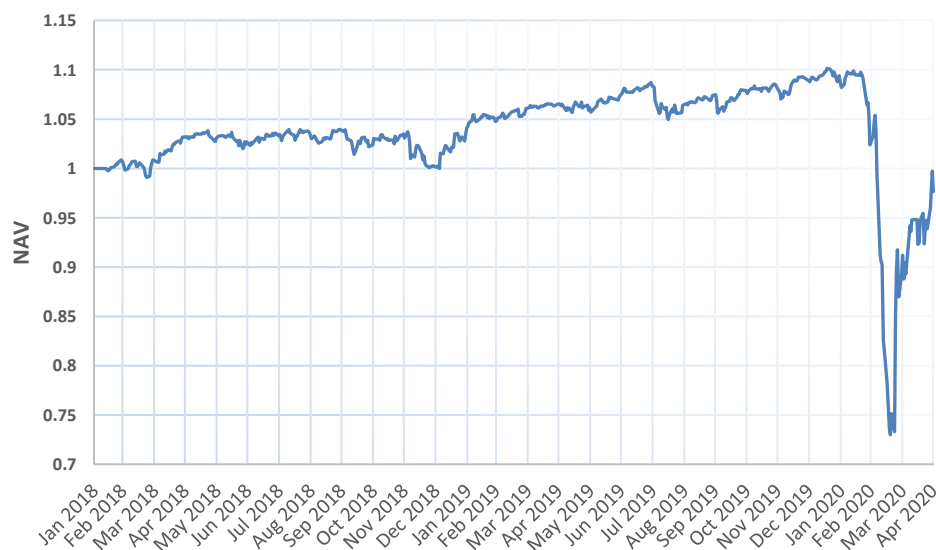
The FTSE 100 recorded a 4% gain with the Eurostoxx 50 delivering a 5% return. The Levendi fund posted a return of 7.1% for April. The strong performance of the Fund can be attributed to the same three key factors that contributed to the draw-down in the previous month. Asset prices improved for the underlying investments in the Fund, namely FTSE 100 and Eurostoxx 50, implied volatilities abated over the month despite the month remaining volatile relative to precoronavirus levels and the credit outlook of issuing banks improved.

As a point of reference, since the onset of the market turbulence attributed to the emergence of the coronavirus pandemic, the FTSE 100 index has fallen c. 21% with the Eurostoxx 50 index losing 24%. The Levendi fund has fallen by 11% in the same period.

Charles Darwin once stated "...for the shield may be as important for victory, as the sword or spear." The Levendi Fund portfolio is made up of investments which have been engineered with a 'shielded' maturity profile: whilst mark-to-market losses are possible during the life of the investments, capital will only start to be compromised at maturity should the underlying assets fall to approximately 50% of the initial levels. At the March lows the relevant indices (FTSE 100 and Eurostoxx 50) were c. 20% above the levels where capital would start to be compromised. In fact, 97.5% of the investments in the portfolio will still pay the full returns if they reach their respective maturity dates and the relevant indices are at or above the March lows.

Source: Levendi Investment Management 30.04.20

FUND PERFORMANCE - B CLASS INSTITUTIONAL



Source: Levendi Investment Management 30.04.2020. Graph starts at Fund launch date.
*Since Inception (31st of January 2018), rhs

KEY FACTS

FUND AUM ¹	£66.3M
BASE CURRENCY	GBP
LIQUIDITY	DAILY
SHARE TYPE	I CLASS: INSTITUTIONAL I CLASS: RETAIL
NAV	I ACCUM: £0.9019 I R ACCUM: £0.9033 I R DISTRIB: £0.9094
INITIAL CHARGE	INSTITUTIONAL: 0% RETAIL: 1% 0%
ANNUAL MANAGEMENT CHARGE	I CLASS: 100 BPS I R CLASS: 150 BPS
OCF ¹	I CLASS: 116 BPS I R CLASS: 166 BPS
LAUNCH DATE	31 st JANUARY 2018
STRUCTURE	UCITS V
DOMICILE	IRELAND
ISIN	I ACCUM: IE00BJ56QN06 I R ACCUM: IE00BJ56QM98 I R DISTRIB: IE00BJ56QP20
SEDOL	I ACCUM: BJ56QN0 I R ACCUM: BJ56QM9 I R DISTRIB: BJ56QP2
BLOOMBERG	I R ACCUM: SLSRFIR ID I R DISTRIB: SLSRFIG ID
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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%									(10.22%)

Source: Levendi Investment Management 30.04.20

REQUIRED LEVELS

Percentage of Current Market Levels	Lowest	Average	Highest
To receive the target return	63.9%	75.7%	98.6%
Capital preservation at maturity	54.4%	63.2%	72.3%

PORTFOLIO COMPOSITION

Top 4 Holdings	
Citigroup 10YR UKX/SX5E Autocall 8.35%	5.1%
Gilt-Backed 10YR UKX/SX5E Autocall 8.0%	4.2%
Gilt-Backed 10YR UKX/SX5E Autocall 7.9%	3.5%
Gilt-Backed 10YR UKX/SX5E Autocall 7.7%	3.5%

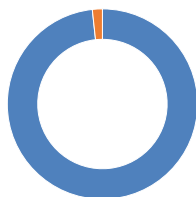
FUND EXPOSURES

ISSUER RATING EXPOSURE



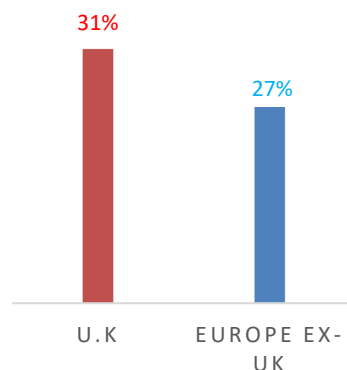
A+	12.1%
A	2.9%
BBB+	11.7%
Gilt-backed	72.9%

PRODUCT TYPE EXPOSURE



Autocall	101.6%
Cash	2.8%

MARKET RISK



Source: Levendi Investment Management 30.04.20

AVAILABLE VIA MOST MAJOR INTERNATIONAL PLATFORMS. PLEASE CONTACT A MEMBER OF THE TEAM FOR SPECIFIC AVAILABILITY.

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. Where products autocall or mature, we assume that the proceeds are reinvested at a yield of Libor plus 6% till the last product autocall or matures.

MARKET MOVE	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
IRR	-1.8%	0.9%	5.0%	6.9%	6.9%	7.1%	7.3%	16.1%	35.0%
DURATION	8.73	8.73	8.73	8.73	8.73	8.56	7.67	1.68	0.52

RETURN ESTIMATES	METRIC	VALUE
WHAT ARE THE BEST 10% OF POSSIBLE RETURNS?	VaR 10	19.7%
WHAT IS THE CHANCE OF A POSITIVE RETURN?	Chance of Gain	87.2%
WHAT IS THE AVERAGE GAIN WHEN THERE IS A POSITIVE RETURN?	Conditional Gain	8.4%
WHAT IS THE EXPECTED AVERAGE RETURN?	Arithmetic Return	6.0%

RISK ESTIMATES	METRIC	VALUE
WHAT IS THE LOSS BASED ON THE AVERAGE OF THE WORST 5% OUTCOMES	CVaR 95% Loss	-82.6%
WHAT IS THE CHANCE OF A LOSS ?	Chance of Loss	12.8%
WHAT IS THE AVERAGE RETURN IN THE SCENARIOS WHERE THERE IS A LOSS?	Conditional loss	-7.3%
WHAT IS THE REALISED VOLATILITY OF THE PORTFOLIO RETURNS?	Volatility	26.0%
HOW FAR DO MARKETS HAVE TO FALL BEFORE THE MATURITY VALUE IS LESS THAN 100% ON AVERAGE?	Average fall to capital breach	36.8%
WHAT IS THE AVERAGE PROBABILITY OF THE MATURITY VALUE OF EACH INVESTMENT HELD BEING LESS THAN 100%?	Avg Prob. of capital breach	13.4%
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	0.58
CHANGE IN FUND PRICE IF INTEREST RATES CHANGE +0.01%	Rho	+0.02%
CHANGE IN FUND PRICE IF VOLATILITY INCREASES +1%	Vega	-1.3%
CHANGE IN FUND PRICE FROM THE PASSAGE OF ONE DAY	Theta	0.02%
AVERAGE DURATION OF THE FUND PRODUCTS	Duration	5.2 years

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