



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.

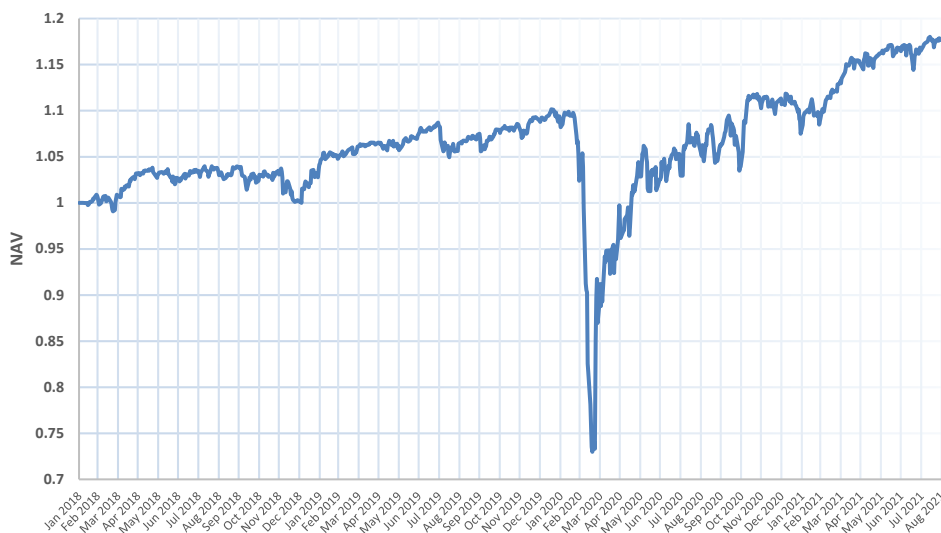
MANAGER COMMENTARY

In Q2 of 2021, the total value of international merchandise trade for the G20 reached a new all time high according to the OECD. At 5% higher than it was before the pandemic, even the group has called this rise “vigorous”. However this begs the question of how it is even possible when supply chains are under so much duress. The answer is, at least partly, inflation of course. The latter has seemingly peaked for now with price hikes softening, but price pressures are broadening further and further to more sectors of the economy. In the UK for example the ONS recently said housing prices rose more than 13%, the highest annual growth rate since 2000s. The housing market, arguably one of the most important markets, not only has major consequences for the population, but is also a major contention point for central bankers who are still debating when to pull pandemic support. The task isn’t necessarily easy as conflicting signals are arising with China’s economy losing momentum and stalling, and consumer spending forecasted to show signs of sluggishness in the second half of the year. China cracking down on its own stocks certainly isn’t helping, but that hasn’t deterred UK and European markets posting great performance for the month at 1.24% and 2.62% respectively. The Fund shrugged off a short term volatility spike mid month and posted a great 1% rise in August.

Only one position had a lifecycle event during the month, rolling through the Autocall into its third year due to the UK markets rising, but not quite enough to be above strikes. No new positions were added to the portfolio. At current levels, the average fall required to result in losses of capital to the investment products within the portfolio at maturity is c. 51.3%. The average fall required to prevent the receipt of the coupons contained within the investments is c. 42.1%. Even on a worst-of basis the numbers remain very defensive, with a 30% fall required to prevent the receipt of coupons and a 41% fall to reach the end of the capital buffers. The Fund sensitivities are as per usual, in line with expectations.

Source: Levendi Investment Management 31/08/21

FUND PERFORMANCE - B CLASS INSTITUTIONAL



Source: Levendi Investment Management 31/08/21. Graph starts at Fund launch date.
*Since Inception (31st of January 2018), rhs

KEY FACTS

FUND AUM ¹	£74.7M
BASE CURRENCY	GBP
LIQUIDITY	DAILY
SHARE TYPE	I CLASS: INSTITUTIONAL I CLASS: RETAIL
NAV	I ACCUM: £1.0794 I R ACCUM: £1.0738 I R DISTRIB: £1.0812
INITIAL CHARGE	INSTITUTIONAL: 0% RETAIL: 1%
ANNUAL MANAGEMENT CHARGE	I CLASS: 75BPS I R CLASS: 75BPS
OCF ¹	I CLASS: 116BPS I R CLASS: 166BPS
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
PRICING	DAILY COB
DEALING DEADLINE	DAILY 10:30AM
DEALING LINE	+353 (0) 1 434 5124
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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

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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%					6.29%

Past performance does not predict future returns.

REQUIRED LEVELS

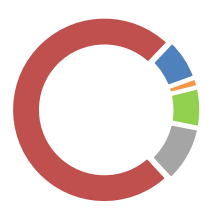
Percentage of Current Market Levels	Lowest	Average	Highest
To receive the target return	44.6%	57.9%	69.6%
Capital preservation at maturity	38.7%	48.7%	58.7%

PORTFOLIO COMPOSITION

Top 4 Holdings	
Gilt-Backed 10YR UKX/SX5E Autocall 8.0%	4.8%
Gilt-Backed 10YR UKX/SX5E Autocall 7.7%	4.1%
Gilt-Backed 10YR UKX/SX5E Autocall 7.9%	4.1%
Gilt-Backed 10YR UKX/SX5E Autocall 7.3%	4.0%

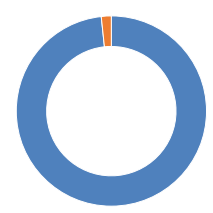
FUND EXPOSURES

ISSUER RATING EXPOSURE



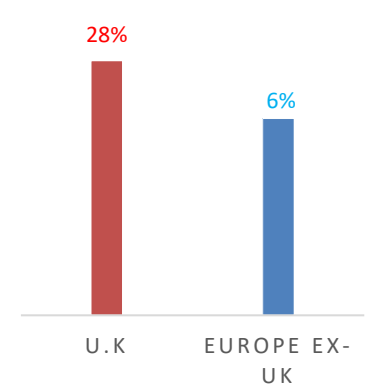
A+	17.5%
A	5.2%
BBB+	9.5%
Gilt-backed	61.4%

PRODUCT TYPE EXPOSURE



Autocall	93.6%
Cash	6.4%

MARKET RISK



Source: Levendi Investment Management 30/07/21

THE FUND IS 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 GBP Deposit rates plus 6% till the last product autocall or matures.

MARKET MOVE	-40%	-30%	-20%	-10%	0%	10%	20%	30%	40%
IRR	-0.9%	1.2%	5.9%	5.9%	6.0%	6.1%	17.8%	17.8%	17.8%
DURATION	7.97	7.97	7.97	7.97	7.67	6.64	0.50	0.50	0.50

RETURN ESTIMATES	METRIC	VALUE
WHAT ARE THE BEST 10% OF POSSIBLE RETURNS?	VaR 10	13.4%
WHAT IS THE CHANCE OF A POSITIVE RETURN?	Chance of Gain	95.0%
WHAT IS THE AVERAGE GAIN WHEN THERE IS A POSITIVE RETURN?	Conditional Gain	7.1%
WHAT IS THE EXPECTED AVERAGE RETURN?	Arithmetic Return	5.2%

RISK ESTIMATES	METRIC	VALUE
WHAT IS THE LOSS BASED ON THE AVERAGE OF THE WORST 5% OUTCOMES	CVaR 95% Loss	-27.9%
WHAT IS THE CHANCE OF A LOSS ?	Chance of Loss	5.0%
WHAT IS THE AVERAGE RETURN IN THE SCENARIOS WHERE THERE IS A LOSS?	Conditional loss	-5.9%
WHAT IS THE REALISED VOLATILITY OF THE PORTFOLIO RETURNS?	Volatility (100d)	6.3%
HOW FAR DO MARKETS HAVE TO FALL BEFORE THE MATURITY VALUE IS LESS THAN 100% ON AVERAGE?	Average fall to capital breach	51.3%
WHAT IS THE AVERAGE PROBABILITY OF THE MATURITY VALUE OF EACH INVESTMENT HELD BEING LESS THAN 100%?	Avg Prob. of capital breach	3.9%
WHAT IS THE HIGHEST PROBABILITY OF THE MATURITY VALUE OF ANY INVESTMENT HELD BEING LESS THAN 100%?	Max Prob. of capital breach	6.3%

FACTOR EXPOSURE	METRIC	VALUE
CHANGE IN FUND PRICE IF ALL MARKET LEVELS CHANGE BY 1%	Delta	0.34
CHANGE IN FUND PRICE IF INTEREST RATES CHANGE +0.01%	Rho	+0.00%
CHANGE IN FUND PRICE IF VOLATILITY INCREASES +1%	Vega	-1.0%
CHANGE IN FUND PRICE FROM THE PASSAGE OF ONE DAY	Theta	0.01%
AVERAGE DURATION OF THE FUND PRODUCTS	Duration	2.2 years

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