



LEVENDI

INVESTMENT MANAGEMENT

29<sup>th</sup> April 2022

## 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

Last month's challenges have certainly carried on to April, with UK markets holding relatively steady at 0.38% but European markets dipping -2.55% for the month. The Eurozone saw a two speed economy in April with manufacturing coming to a crawl due to supply constraints and risk aversion caused by the Russian invasion, while the travel and recreation sectors saw a marked surge in spending. Germany's economy - the Eurozone's powerhouse, potentially contracting by 2.2% in 2023 according to researchers in the event of an energy shock weighed heavily on investor sentiment the most. That figure highlights the realpolitik Western leaders are confronting trying to discipline one of the world's biggest petroeconomies.

UK markets fared relatively well for the month buoyed by a flush oil sector as a result of supply shocks and unwavering demand. BP for example is touting billions in extra buybacks. Demand is not showing any signs of serious slowing down either despite China's underestimated 'zero Covid policy' and the resulting snap lockdowns. This strict approach is disrupting fragile trade lines and is likely to be spelling continuing trouble for the Asian region.

Against this backdrop, the fund dropped -1.05% in April. As expected, investor confidence will be slow to return but the Fund, owing to its composition, can afford to wait as long as needed while markets trend sideways. Some 40% of the portfolio has maturities as far as 2032, providing tremendous optionality. During the month despite market conditions, one product Autocalled, allowing us to reinvest into a new product. Sensitivities are still inline with a 47.1% average buffer to capital and 38.2% average buffer to target returns.

### FUND PERFORMANCE - B CLASS INSTITUTIONAL



Source: Levendi Investment Management 29/04/22. Graph starts at Fund launch date.  
\*Since Inception (31<sup>st</sup> of January 2018), rhs

### KEY FACTS

FUND AUM <sup>1</sup>	£94.5M
BASE CURRENCY	GBP
LIQUIDITY	DAILY
SHARE TYPE	I CLASS: INSTITUTIONAL I CLASS: RETAIL
NAV	I I ACCUM: £1.0741 I R ACCUM: £1.0651 I R DISTRIB: £1.0724
INITIAL CHARGE	INSTITUTIONAL: 0% RETAIL: 1%
ANNUAL MANAGEMENT CHARGE	I I CLASS: 75BPS I R CLASS: 75BPS
OCF <sup>1</sup>	I I CLASS: 116BPS I R CLASS: 166BPS
LAUNCH DATE	31 <sup>st</sup> JANUARY 2018
STRUCTURE	UCITS V
DOMICILE	IRELAND
ISIN	I I ACCUM: IE00BJ56QN06 I R ACCUM: IE00BJ56QM98 I R DISTRIB: IE00BJ56QP20
SEDOL	I 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
FAX ORDER	+353 (0) 1 434 5285
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 Libor as per the Fund Supplement

### FURTHER INFORMATION

LEVENDI INVESTMENT MANAGEMENT LTD  
Cunard House, 15 Regent Street  
St James's, London SW1Y 4LR  
t: 0203 150 2842  
[www.levendi-im.com](http://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%)									(2.09%)

Past performance does not predict future returns. Source: Levendi Investment Management 29/04/22

### REQUIRED LEVELS

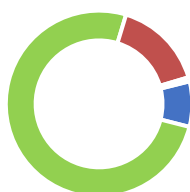
Percentage of Current Market Levels	Lowest	Average	Highest
To receive the target return	49.2%	61.8%	74.5%
Capital preservation at maturity	44.5%	52.9%	68.7%

### PORTFOLIO COMPOSITION

Top 4 Holdings	
Gilt-Backed 10YR UKX/SX5E Autocall 8.0%	3.9%
Gilt-Backed 10YR UKX/SX5E Autocall 6.8%	3.8%
Gilt-Backed 10YR UKX/SX5E Autocall 7.2%	3.3%
Gilt-Backed 10YR UKX/SX5E Autocall 7.7%	3.3%

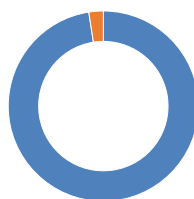
### FUND EXPOSURES

#### ISSUER RATING EXPOSURE



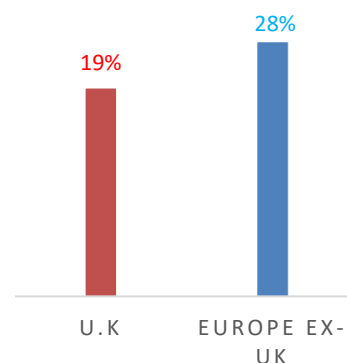
A+	16.8%
BBB+	6.2%
Gilt-backed	74.0%

#### PRODUCT TYPE EXPOSURE



Autocall	97.0%
Cash	3.0%

#### MARKET RISK



Source: Levendi Investment Management 29/04/22

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. 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	-0.8%	4.6%	5.7%	5.7%	6.3%	9.4%	17.3%	17.3%	17.3%
DURATION	8.1	8.1	8.1	8.1	5.2	1.6	0.5	0.5	0.5

RETURN ESTIMATES	METRIC	VALUE
WHAT ARE THE BEST 10% OF POSSIBLE RETURNS?	VaR 10	29.7%
WHAT IS THE CHANCE OF A POSITIVE RETURN?	Chance of Gain	94.9%
WHAT IS THE AVERAGE GAIN WHEN THERE IS A POSITIVE RETURN?	Conditional Gain	9.4%
WHAT IS THE EXPECTED AVERAGE RETURN?	Arithmetic Return	6.6%

RISK ESTIMATES	METRIC	VALUE
WHAT IS THE LOSS BASED ON THE AVERAGE OF THE WORST 5% OUTCOMES	CVaR 95% Loss	-36.4%
WHAT IS THE CHANCE OF A LOSS ?	Chance of Loss	5.1%
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 (100d)	11.0%
HOW FAR DO MARKETS HAVE TO FALL BEFORE THE MATURITY VALUE IS LESS THAN 100% ON AVERAGE?	Average fall to capital breach	47.1%
WHAT IS THE AVERAGE PROBABILITY OF THE MATURITY VALUE OF EACH INVESTMENT HELD BEING LESS THAN 100%?	Avg Prob. of capital breach	4.8%
WHAT IS THE HIGHEST PROBABILITY OF THE MATURITY VALUE OF ANY INVESTMENT HELD BEING LESS THAN 100%?	Max Prob. of capital breach	9.4%

FACTOR EXPOSURE	METRIC	VALUE
CHANGE IN FUND PRICE IF ALL MARKET LEVELS CHANGE BY 1%	Delta	0.47
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	0.02%
AVERAGE DURATION OF THE FUND PRODUCTS	Duration	2.3 years

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