



LEVENDI

INVESTMENT MANAGEMENT

31st October 2022

LEVENDI THORNBRIDGE DEFINED RETURN FUND

INVESTMENT OBJECTIVE

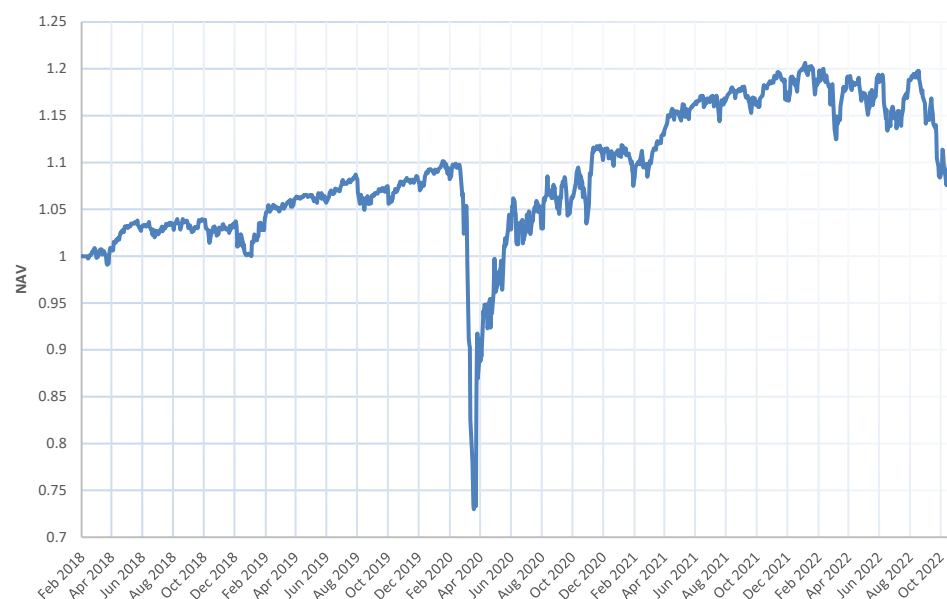
The Fund aims to maximise the chance of generating an average medium-term annual return of 6% above GBP deposit rates. The Fund is a diversified portfolio of Defined Return Investments linked to major market equity indices. The product selection and portfolio management process leverages a proprietary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

MANAGER COMMENTARY

The whiplash inducing ride continues in October, as our reference markets soar up three and nine (!) percent, UK and European markets respectively. The fund rose 4.76% against this backdrop. These movements come as conflicting data points cloud the picture of the state of the world economy, and investors are looking into economy readings like a crystal ball, searching for signs of dovish pivots. Because of cause-effect lag, Central Banks are understandably not sure if they've done enough yet, or not at all. Their unenviable task means if they ease off the pedal too soon, inflation becomes even more entrenched, and unrest intensifies. If they overdo it, recessions happen and.. unrest intensifies. What thankfully gives them leeway in the first place to be hawkish is robust employment figures they're happy to trade off. It's clear however that when previously, 2023 was seen as the return to dovish policy, mixed data all round is clouding that outlook. The ECB for example is eyeing an orderly absorption of liquidity. As such it has raised rates dramatically (by its standards at least) since July and is telegraphing a reduction of its €5 trillion debt holding. Back home Rishi was nominated by his party to be UK prime minister, which nudged UK yields to return to pre controversial 'mini-budget' levels. The announcement of tax hikes and further austerity had the silver lining of bringing some confidence back on UK shores.

UK equities are infamously unloved, with forward PE ratios half the US's for example. However that is precisely why we stuck with UK markets. When things go wrong, they can't get much worse, as opposed to buying into the rich valuations of other markets. Our views have been backed by UK equities being the top performer this year for a UK investor. The narrowing of the valuation gap of UK equities becomes a 'free option'. Should they, and markets rise, the fund benefits twice. On the lifecycle front, the fund saw 3 positions go through observation and roll onto the next year. The fund sensitivities remain very much in line with our buffers ending the month at 34.1% buffer to coupons and 43.8% buffer to capital.

FUND PERFORMANCE - B CLASS INSTITUTIONAL



Source: Levendi Investment Management 31/10/22. Graph starts at Fund launch date.
*Since Inception (31st of January 2018), rhs

KEY FACTS

FUND AUM ¹	£95.7M
BASE CURRENCY	GBP
LIQUIDITY	DAILY
SHARE TYPE	I CLASS: INSTITUTIONAL I CLASS: RETAIL
NAV	I I ACCUM: £1.0377 I R ACCUM: £1.0264 I R DISTRIB: £1.0334
INITIAL CHARGE	INSTITUTIONAL: 0% RETAIL: 1%
ANNUAL MANAGEMENT CHARGE	I I CLASS: 100BPS I R CLASS: 150BPS
OCF ¹	I I CLASS: 116BPS I R CLASS: 166BPS
LAUNCH DATE	31 st 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
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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%	(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%			(5.22%)

Past performance does not predict future returns. Source: Levendi Investment Management 31/10/22

REQUIRED LEVELS

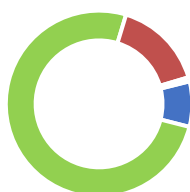
Percentage of Current Market Levels	Lowest	Average	Highest
To receive the target return	55.3%	65.9%	78.3%
Capital preservation at maturity	0.0%	56.2%	72.2%

PORTFOLIO COMPOSITION

Top 4 Holdings	
Gilt-Backed 10YR UKX/SX5E Autocall 7.2%	5.5%
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 8.0%	3.4%

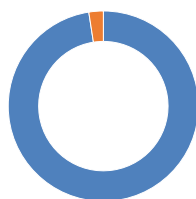
FUND EXPOSURES

ISSUER RATING EXPOSURE



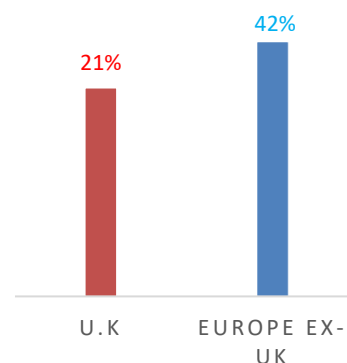
A+	15.4%
BBB+	6.0%
Gilt-backed	75.7%

PRODUCT TYPE EXPOSURE



Autocall	97.1%
Cash	2.9%

MARKET RISK



Source: Levendi Investment Management 31/10/22

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	-0.5%	4.4%	6.3%	6.3%	6.7%	9.3%	24.7%	24.7%	24.7%
DURATION	8.1	8.1	8.1	8.1	6.2	2.7	0.5	0.5	0.5

RETURN ESTIMATES	METRIC	VALUE
WHAT ARE THE BEST 10% OF POSSIBLE RETURNS?	VaR 10	32.9%
WHAT IS THE CHANCE OF A POSITIVE RETURN?	Chance of Gain	94.0%
WHAT IS THE AVERAGE GAIN WHEN THERE IS A POSITIVE RETURN?	Conditional Gain	9.8%
WHAT IS THE EXPECTED AVERAGE RETURN?	Arithmetic Return	7.4%

RISK ESTIMATES	METRIC	VALUE
WHAT IS THE LOSS BASED ON THE AVERAGE OF THE WORST 5% OUTCOMES	CVaR 95% Loss	-52.1%
WHAT IS THE CHANCE OF A LOSS ?	Chance of Loss	6.0%
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)	10.6%
HOW FAR DO MARKETS HAVE TO FALL BEFORE THE MATURITY VALUE IS LESS THAN 100% ON AVERAGE?	Average fall to capital breach	43.8%
WHAT IS THE AVERAGE PROBABILITY OF THE MATURITY VALUE OF EACH INVESTMENT HELD BEING LESS THAN 100%?	Avg Prob. of capital breach	5.4%
WHAT IS THE HIGHEST PROBABILITY OF THE MATURITY VALUE OF ANY INVESTMENT HELD BEING LESS THAN 100%?	Max Prob. of capital breach	10.9%

FACTOR EXPOSURE	METRIC	VALUE
CHANGE IN FUND PRICE IF ALL MARKET LEVELS CHANGE BY 1%	Delta	0.63
CHANGE IN FUND PRICE IF INTEREST RATES CHANGE +0.01%	Rho	+0.00%
CHANGE IN FUND PRICE IF VOLATILITY INCREASES +1%	Vega	-0.99%
CHANGE IN FUND PRICE FROM THE PASSAGE OF ONE DAY	Theta	0.01%
AVERAGE DURATION OF THE FUND PRODUCTS	Duration	2.7 years

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