



LEVENDI

INVESTMENT MANAGEMENT

30<sup>th</sup> April 2024

## LEVENDI THORNBRIDGE DEFINED RETURN FUND

### INVESTMENT OBJECTIVE

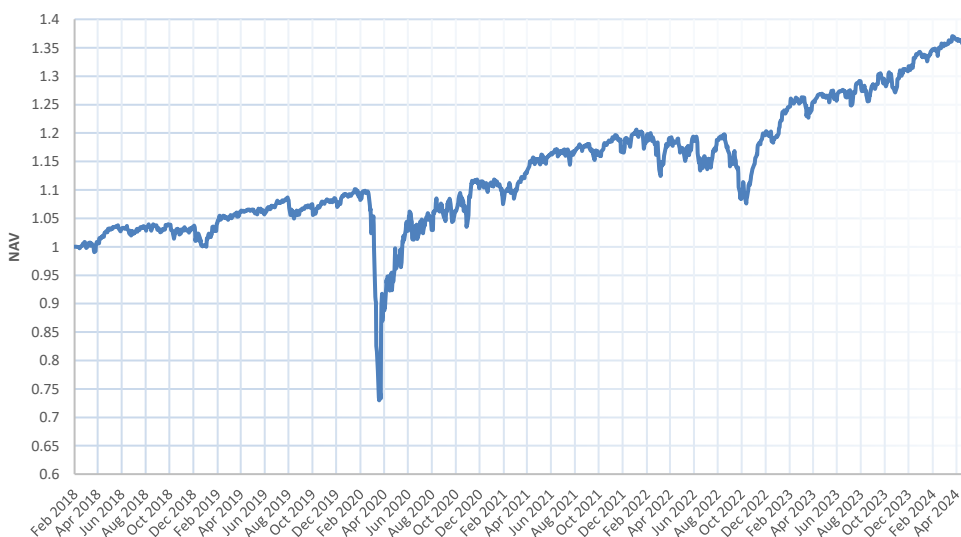
The Fund aims to maximise the chance of generating an average medium-term annual return of 6% above GBP deposit rates. The Fund is a diversified portfolio of Defined Return Investments linked to major market equity indices. The product selection and portfolio management process leverages a proprietary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

### MANAGER COMMENTARY

A strong Q1 passed the torch to a more challenging month. The European and US markets both dropped 3.19% and 4.16% respectively. Rather pleasingly, the UK markets carried their upwards trajectory, logging a 2.41% gain for the month. This allowed the fund to rise 0.48% for April, continuing a positive monthly performance streak for the year so far. Geopolitical threats, such as escalating tensions in the Middle East, have undoubtedly contributed to a more fragile environment. More importantly, a digestion of 'higher for longer' has put up great headwinds against parts of the equity market. Indeed, US economic data during the month was largely very positive, buoyed by remarkable labour resilience (sustained wages and therefore consumption). This explains the above expectation inflation reading once again, a theme throughout 2024 so far. Unsurprisingly, this has resulted in a remarkable reappraisal of rate cuts. From a half a dozen cuts being consensus to only one cut this year, this should make for an interesting rest of the year - without even factoring in the presidential election. Back in the UK, the fund's biggest exposure, inflation fell to 3.2%. This now puts it below US inflation, unsurprisingly a dramatic boost to confidence for business and consumer alike. What further supports the UK market's outperformance are sectors such as financials and commodities, as a deflation trade is emerging and benefitting these sectors of significant weighting. The US markets' tech bias on the contrary has acted more as a headwind owing to the monetary policy uncertainties.

During the month only one position matured early, which was rolled into a new position with exposure to both European and US markets. Particular attention continues to be given to downside protection of the fund as despite the large market drops, the average drop required for capital to be affected is still over 52%. Further still, our worst performing product still requires an over 45% drop in markets for its capital to even start being affected. Resilient data, with robust growth and sticky inflation, will play a large hand in further delaying the start of the easing cycle. Whichever way the rest of the year plays out, the fund is well positioned. Sideways markets are ideal with positions steadily collecting theta (time decay), rising markets are also great for obvious reasons, and finally downward markets are buffered against with very large (50%+) downside protection.

### FUND PERFORMANCE - B CLASS INSTITUTIONAL



Source: Levendi Investment Management 30/04/2024. Graph starts at Fund launch date.  
\*Since Inception (31<sup>st</sup> of January 2018), rhs

### KEY FACTS

FUND AUM <sup>1</sup>	£114.2M
BASE CURRENCY	GBP
LIQUIDITY	DAILY
SHARE TYPE	I CLASS: INSTITUTIONAL I CLASS: RETAIL
NAV	I I ACCUM: £1.2462 I R ACCUM: £1.2234
INITIAL CHARGE	INSTITUTIONAL: 0% RETAIL: 1%
ANNUAL MANAGEMENT CHARGE	I I CLASS: 100BPS I R CLASS: 150BPS
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 GBP Deposit rates as per the Fund Supplement.

### FURTHER INFORMATION

LEVENDI INVESTMENT MANAGEMENT LTD  
1 Heddon Street  
London W1B 4BD  
t: 0203 150 2842

[www.levendi-im.com](http://www.levendi-im.com)



LEVENDI INVESTMENT MANAGEMENT LTD (FRN: 783607) IS AN APPOINTED REPRESENTATIVE OF THORNBRIDGE INVESTMENT MANAGEMENT LLP (FRN: 713859) WHICH IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY. THIS IS A MARKETING COMMUNICATION, NOT A CONTRACTUALLY BINDING DOCUMENT. PLEASE REFER TO THE FUND SUPPLEMENT AND TO THE KIID AND DO NOT BASE ANY FINAL INVESTMENT DECISION ON THIS COMMUNICATION ALONE



### 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%									2.26%

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS
Cumulative Fund Performance	0.48%	1.94%	7.42%	8.37%	19.39%	28.88%

Past performance does not predict future returns. Net of fees in GBP. Source: Levendi Investment Management 30/04/24

### LEVELS SUMMARY

COVER	Lowest	Average	Highest
To achieve the target return	33.3%	41.6%	57.4%
To capital preservation	45.6%	52.3%	64.4%

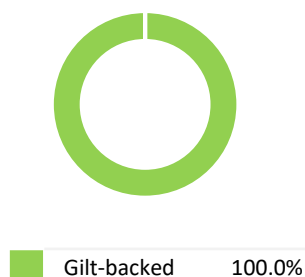
	Current Products %
Products Autocalling at current market levels	94.7%

### PORTFOLIO COMPOSITION

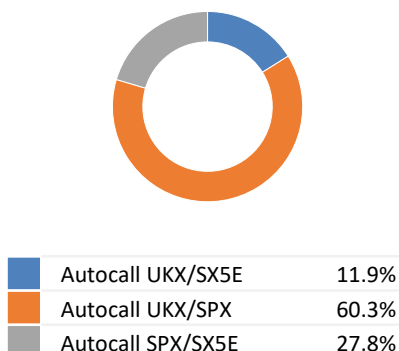
Top 5 Holdings	
Gilt-Backed 10YR UKX/SPX Autocall 8.75%	5.0%
Gilt-Backed 10YR UKX/SX5E Autocall 9.05%	4.8%
Gilt-Backed 10YR UKX/SPX Autocall 8.7%	4.2%
Gilt-Backed 10YR UKX/SPX Autocall 9.25%	3.5%
Gilt-Backed 10YR UKX/SPX Autocall 8.05%	3.1%

### FUND EXPOSURES

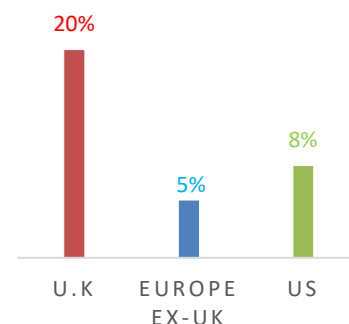
#### ISSUER RATING EXPOSURE



#### PRODUCT TYPE AND EXPOSURE



#### MARKET RISK



Source: Levendi Investment Management 30/04/24

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. 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	0.3%	6.1%	6.1%	6.1%	7.8%	9.7%	9.7%	9.7%	9.7%
DURATION	8.8	8.8	8.8	8.4	1.1	0.5	0.5	0.5	0.5

RETURN ESTIMATES	METRIC	VALUE
WHAT ARE THE BEST 10% OF POSSIBLE RETURNS?	VaR 10	15.0%
WHAT IS THE CHANCE OF A POSITIVE RETURN?	Chance of Gain	92.5%
WHAT IS THE AVERAGE GAIN WHEN THERE IS A POSITIVE RETURN?	Conditional Gain	12.9%
WHAT IS THE EXPECTED AVERAGE RETURN?	Arithmetic Return	8.9%

RISK ESTIMATES	METRIC	VALUE
WHAT IS THE LOSS BASED ON THE AVERAGE OF THE WORST 5% OUTCOMES	CVaR 95% Loss	-41.0%
WHAT IS THE CHANCE OF A LOSS ?	Chance of Loss	4.6%
WHAT IS THE AVERAGE RETURN IN THE SCENARIOS WHERE THERE IS A LOSS?	Conditional loss	-7.1%
WHAT IS THE REALISED VOLATILITY OF THE PORTFOLIO RETURNS?	Volatility (100d)	3.6%
HOW FAR DO MARKETS HAVE TO FALL BEFORE THE MATURITY VALUE IS LESS THAN 100% ON AVERAGE?	Average fall to capital breach	52.3%
WHAT IS THE AVERAGE PROBABILITY OF THE MATURITY VALUE OF EACH INVESTMENT HELD BEING LESS THAN 100%?	Avg Prob. of capital breach	3.6%
WHAT IS THE HIGHEST PROBABILITY OF THE MATURITY VALUE OF ANY INVESTMENT HELD BEING LESS THAN 100%?	Max Prob. of capital breach	10.4%

FACTOR EXPOSURE	METRIC	VALUE
CHANGE IN FUND PRICE IF ALL MARKET LEVELS CHANGE BY 1%	Delta	0.33
CHANGE IN FUND PRICE IF INTEREST RATES CHANGE +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	0.02%
AVERAGE DURATION OF THE FUND PRODUCTS	Duration	1.9 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.

THE CONTENTS OF THIS DOCUMENT ARE COMMUNICATED BY, AND THE PROPERTY OF, LEVENDI INVESTMENT MANAGEMENT LTD. LEVENDI INVESTMENT MANAGEMENT LTD (FRN: 783607) IS AN APPOINTED REPRESENTATIVE OF THORNBRIDGE INVESTMENT MANAGEMENT LLP (FRN: 713859) WHICH IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY ("FCA"). THIS IS A MARKETING COMMUNICATION, NOT A CONTRACTUALLY BINDING DOCUMENT. PLEASE REFER TO THE FUND SUPPLEMENT AND TO THE KIID AND DO NOT BASE ANY FINAL INVESTMENT DECISION ON THIS COMMUNICATION ALONE. \*FIGURES ACCURATE AS OF TIME OF PUBLISHING/DISTRIBUTION.

THIS DOCUMENT IS DIRECTED AT PERSONS WHO FALL WITHIN THE DEFINITION OF 'PROFESSIONAL CLIENTS' OR 'ELIGIBLE COUNTERPARTIES' AS DEFINED IN THE RULES OF THE FINANCIAL CONDUCT AUTHORITY ("FCA") OF THE UNITED KINGDOM. THE INFORMATION AND OPINIONS CONTAINED IN THIS DOCUMENT ARE SUBJECT TO UPDATING AND VERIFICATION AND MAY BE SUBJECT TO AMENDMENT. NO REPRESENTATION, WARRANTY, OR UNDERTAKING, EXPRESS OR LIMITED, IS GIVEN AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION OR OPINIONS CONTAINED IN THIS DOCUMENT BY LEVENDI INVESTMENT MANAGEMENT LTD OR ITS DIRECTORS. NO LIABILITY IS ACCEPTED BY SUCH PERSONS FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION OR OPINIONS. AS SUCH, NO RELIANCE MAY BE PLACED FOR ANY PURPOSE ON THE INFORMATION AND OPINIONS CONTAINED IN THIS DOCUMENT. THE INFORMATION CONTAINED IN THIS DOCUMENT IS STRICTLY CONFIDENTIAL. THE VALUE OF INVESTMENTS AND ANY INCOME GENERATED MAY GO DOWN AS WELL AS UP AND IS NOT GUARANTEED. PAST PERFORMANCE IS NOT NECESSARILY A GUIDE TO FUTURE PERFORMANCE.