



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 Fund performed well in August gaining c. 3.2%. The UK large-cap markets rallied c. 1.1% with the European counterparts posting gains of c. 3%. The out-performance of the Fund can be attributed to, in part, the relaxation of long-dated implied volatilities. August witnessed the largest fall in long-dated implied volatilities since the onset of the Covid-19 pandemic in February. The Fund is short long-dated volatility with an exposure of c. 1.3% for every 1% change in volatility. The Fund performance year to date is -2.35% versus the UK large-cap markets (-20.93%) and the Eurostoxx50 (-12.70%).

The positioning of the Fund remains in line with expectations. At current market levels, the average fall required to result in losses of capital to the investment products within the portfolio is c. 41%. The average fall required to prevent the receipt of the coupons contained within the investments is c. 29%.

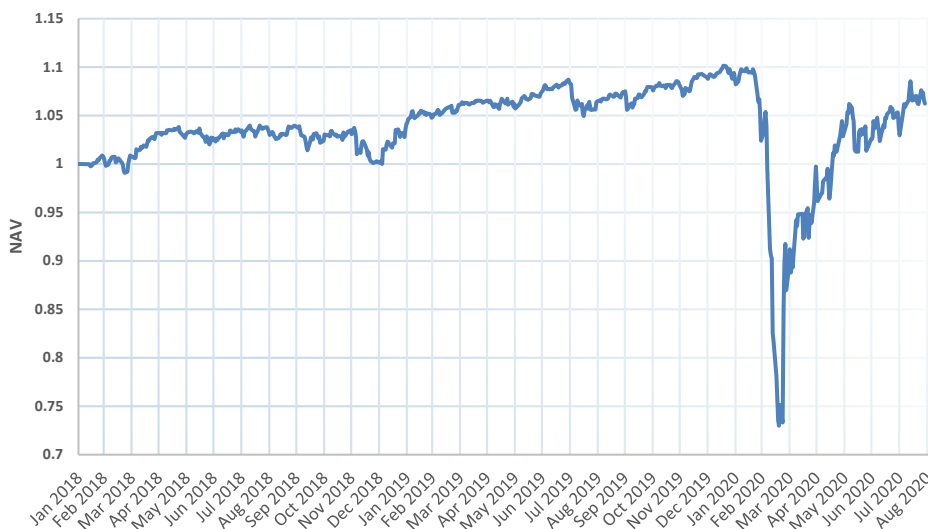
The Fund sensitivities are also in line with expectations and the delta is c. 46%. However, given the defensive nature of the defined return structures there is currently the potential for enhanced returns within the Fund: VaR10 (best return) is 14.7% and the chance of gain is 86.6%.

Source: Levendi Investment Management 28/08/20

KEY FACTS

FUND AUM ¹	£67.6M
BASE CURRENCY	GBP
LIQUIDITY	DAILY
SHARE TYPE	B CLASS: INSTITUTIONAL A CLASS: RETAIL
NAV	B ACCUM: £1.0622 A ACCUM: £1.0423 A DISTRIB: £1.0247 I DISTRIB: £0.9858
INITIAL CHARGE	0%
ANNUAL MANAGEMENT CHARGE	B CLASS: 60BPS A CLASS: 75BPS I CLASS: 75BPS B CLASS: 76BPS
OCF ¹	A CLASS: 91BPS I CLASS: 166BPS
LAUNCH DATE	31 st JANUARY 2018
STRUCTURE	UCITS V
DOMICILE	IRELAND
ISIN	B ACCUM: IE00BYV3WJ85 A ACCUM: IE00BYV3WG54 A DISTRIB: IE00BYV3WH61 I DISTRIB: IE00BJ56QP20
SEDOL	B ACCUM: BYV3WJ8 A ACCUM: BYV3WG5 A DISTRIB: BYV3WH6 I DISTRIB: BJ56QP2
BLOOMBERG	B ACCUM: SLSRFBA ID A ACCUM: SLSRFAA ID A DISTRIB: SLSRFAD ID I DISTRIB: SLSRFIG ID
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FUND PERFORMANCE - B CLASS INSTITUTIONAL



Source: Levendi Investment Management 28/08/2020. Graph starts at Fund launch date.
*Since Inception (31st of January 2018), rhs

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%					(2.35%)

Source: Levendi Investment Management 28/08/20

REQUIRED LEVELS

Percentage of Current Market Levels	Lowest	Average	Highest
To receive the target return	56.5%	71.0%	97.5%
Capital preservation at maturity	48.0%	59.2%	68.7%

PORTFOLIO COMPOSITION

Top 4 Holdings	
Citigroup 10YR UKX/SX5E Autocall 8.35%	5.8%
Gilt-Backed 10YR UKX/SX5E Autocall 8.0%	4.6%
Gilt-Backed 10YR UKX/SX5E Autocall 7.9%	3.9%
Gilt-Backed 10YR UKX/SX5E Autocall 7.7%	3.9%

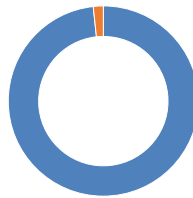
FUND EXPOSURES

ISSUER RATING EXPOSURE



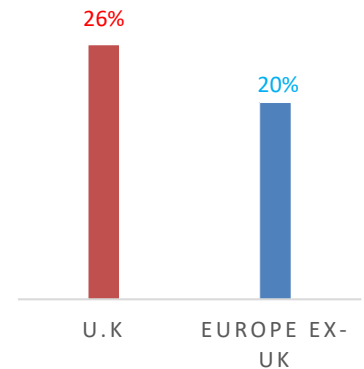
A+	16.0%
A	5.7%
BBB+	8.8%
Gilt-backed	67.0%

PRODUCT TYPE EXPOSURE



Autocall	97.5%
Cash	2.5%

MARKET RISK



Source: Levendi Investment Management 28/08/20

AVAILABLE VIA THE FOLLOWING PLATFORMS

			
			
			
CANADA LIFE	HSBC LIFE	OLD MUTUAL WEALTH	True Potential

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	-2.0%	-0.1%	5.6%	6.0%	6.2%	6.2%	6.5%	22.2%	22.2%
DURATION	8.37	8.37	8.37	8.37	8.37	7.96	6.25	0.45	0.45

RETURN ESTIMATES	METRIC	VALUE
WHAT ARE THE BEST 10% OF POSSIBLE RETURNS?	VaR 10	14.7%
WHAT IS THE CHANCE OF A POSITIVE RETURN?	Chance of Gain	86.6%
WHAT IS THE AVERAGE GAIN WHEN THERE IS A POSITIVE RETURN?	Conditional Gain	7.6%
WHAT IS THE EXPECTED AVERAGE RETURN?	Arithmetic Return	5.1%

RISK ESTIMATES	METRIC	VALUE
WHAT IS THE LOSS BASED ON THE AVERAGE OF THE WORST 5% OUTCOMES	CVaR 95% Loss	-73.1%
WHAT IS THE CHANCE OF A LOSS ?	Chance of Loss	13.4%
WHAT IS THE AVERAGE RETURN IN THE SCENARIOS WHERE THERE IS A LOSS?	Conditional loss	-5.7%
WHAT IS THE REALISED VOLATILITY OF THE PORTFOLIO RETURNS?	Volatility (100d)	17.7%
HOW FAR DO MARKETS HAVE TO FALL BEFORE THE MATURITY VALUE IS LESS THAN 100% ON AVERAGE?	Average fall to capital breach	39.2%
WHAT IS THE AVERAGE PROBABILITY OF THE MATURITY VALUE OF EACH INVESTMENT HELD BEING LESS THAN 100%?	Avg Prob. of capital breach	10.1%
WHAT IS THE HIGHEST PROBABILITY OF THE MATURITY VALUE OF ANY INVESTMENT HELD BEING LESS THAN 100%?	Max Prob. of capital breach	12.6%

FACTOR EXPOSURE	METRIC	VALUE
CHANGE IN FUND PRICE IF ALL MARKET LEVELS CHANGE BY 1%	Delta	0.46
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	4.6 years

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