



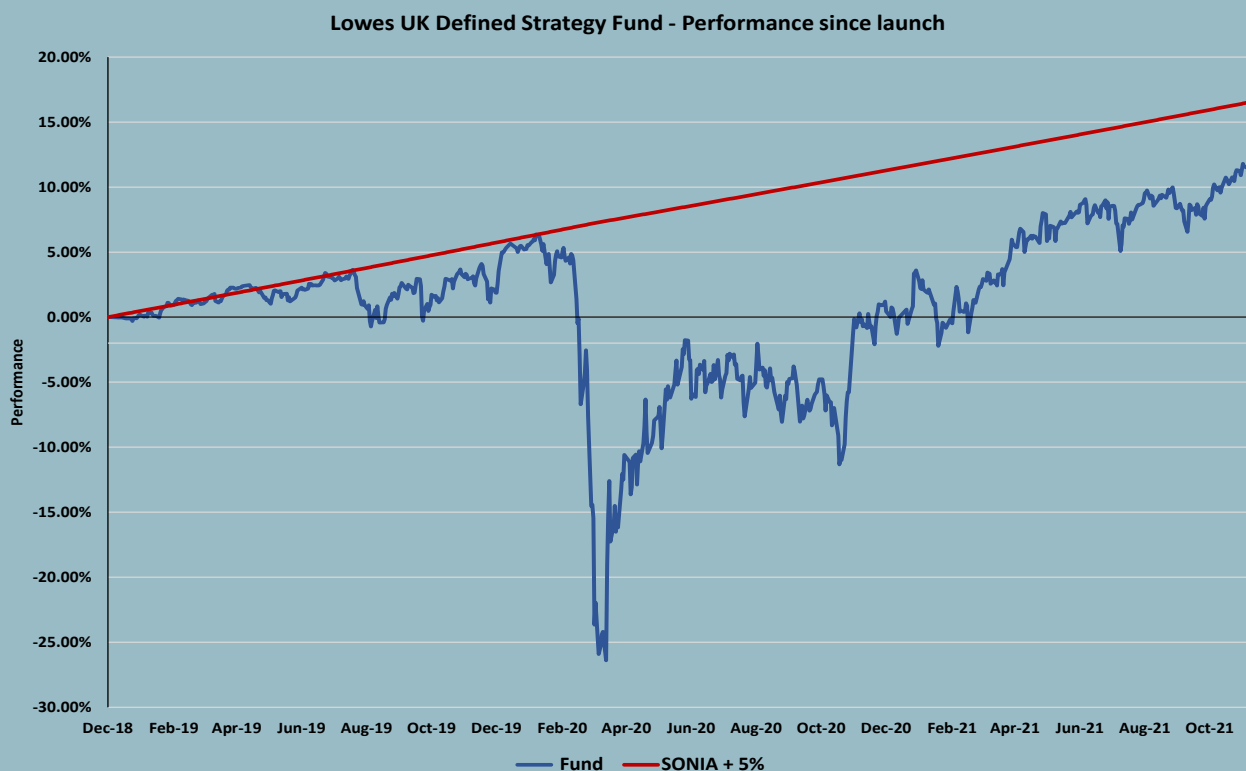
LOWES

UK DEFINED STRATEGY FUND

The Lowes UK Defined Strategy Fund

The Lowes UK Defined Strategy Fund reaches its third anniversary on December 18th, after what has been an eventful three years.

The performance comparator for the fund is “to exceed cash (as measured by the Bank of England’s Sterling Overnight Index Average (“SONIA”)) + 5%”. Obviously, the effects of the pandemic and the resulting market correction greatly affected the performance, but as can be seen in the following chart this is now getting back close to matching the benchmark.



	16/11/2020 to 16/11/2021	16/11/2019 to 16/11/2020	16/11/2018 to 16/11/2019	16/11/2017 to 16/11/2018	16/11/2016 to 16/11/2017
SONIA + 5%	5.04	5.30	5.72	5.56	5.23
Lowes UK Defined Strategy	11.21	-2.57	N/A	N/A	N/A

Source: FE Analytics, Bid-Bid, Total Return

Of course, since the bottom of the correction the Fund has performed better. An investment made on any day since the end of February last year would have exceeded the benchmark to date, some significantly. With the current trajectory we hope that all investors will have seen their holding grow in excess of the benchmark early next year, which is pleasing given what happened last year. This has also been achieved with around three-quarters of the volatility of the FTSE 100 index over the last year (8.85% to 11.68%).

Compared to its peers, the year-to-date performance of the Fund has been good. The chart below shows the performance of the Fund compared to four of the biggest equivalent funds which have a similar investment strategy using structured contracts. Our performance has been as good as, if not better than these funds over the period, which again is pleasing given others' use of multiple indices within single strategies to gain their returns. Although the Lowes UK Defined Strategy Fund does have the ability to use indices from around the world if appropriate, currently all the strategies within it are single index, linked only to the top UK equities listed on the London Stock Exchange either through the FTSE 100 or the FTSE CSDI indices.



Source: FE Analytics, Bid-Bid, Total Return

Past performance is, of course, not a guide to the future. Given the defined nature of the underlying strategies, however, we can predict to a certain extent how the fund would perform in given scenarios, and we have this exercise carried out independently by Fortem Capital Limited, Investment Advisor to the Fund, on our behalf each month.

We must stress these figures should not be regarded as a reliable indicator of future results, but the latest figures below highlight the potential returns that are possible even in a negative market.

FTSE 100 movement	-10%	-5%	0%	5%	10%
1 Year	1.18%	5.59%	9.10%	11.43%	12.86%
3 Years	7.09%	13.03%	17.89%	21.06%	23.00%

Source: Fortem Capital

There are currently twenty-one different strategies within the Fund. Eleven are structured notes, accounting for 33.9% of the current assets based on value, with the other ten being “over the counter” contracts fully collateralised with short-dated gilts, removing the counterparty risk. The strategies cover a range of shapes, strike levels and dates, with at least one different strategy having an observation date in every calendar month.

In terms of size, the Fund is approaching the £20 million level, reaching a high-water mark £19.92 million on 11/11/2021 before dropping back slightly since with falling markets. Having a three-year track record and an AUM of over £20 million should bring the Fund to the attention of more investors also, as these tend to be two main criteria for fund selectors.

There are no entry, exit, or performance fees applied to the fund. The Ongoing Charge Figure (OCF) for the fund remains at its capped level of 1% p.a. A full list of fees associated with investing in the Fund is included in the Fund Supplement.

Hopefully this provides a useful update on the Lowes UK Defined Strategy Fund. Full details of all the underlying strategies can be found on the Fund’s dedicated website – www.UKDSF.com – along with the Fund Supplement, the latest fact sheets, KIID and a regular Fund Analysis document, which highlights the inherent value in some of the strategies each month.

Disclaimer

The value of this investment can fall as well as rise and investors may get back less than they originally invested. Past performance is not necessarily a guide to future performance.

The Fund is suitable for investors who are seeking capital growth over a medium to long term horizon but who are willing to tolerate medium to high risks due to the potentially volatile nature of the investments.

This article is for information purposes only and should not be construed as advice. We strongly suggest you seek independent financial advice prior to taking any course of action.

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The information provided in this document has been provided for information purposes only and should not be regarded as a recommendation to buy or sell the Lowes UK Defined Strategy Fund. This is a marketing communication. Any investment should be made on the

basis of the information contained within the Prospectus, the Key Investor Information Document (KIID), and the Supplementary Information Document (SID), available from UKDSF.com

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