

Lowes UK Defined Strategy Fund

Investment Objective

The Fund aims to provide capital growth over the medium to long term in rising, directionless or modestly falling UK equities markets. The Fund will aim to achieve this, while being less volatile than a corresponding investment into UK equity markets.

It will invest in a core portfolio comprised of defined return equity strategies that aims to provide capital growth in all but extreme negative market scenarios.

The Fund is a sub-fund of the Skyline Umbrella Fund (ICAV) which is authorised and regulated by the Central Bank of Ireland.

Monthly Update

The performance of the Fund was flat in June, rising only slightly by 0.02%. (Source of all figures: FE Analytics)

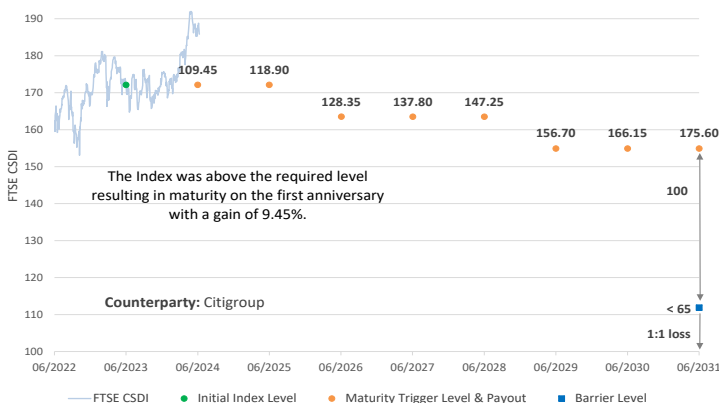
It was a mixed month for equity markets around the globe, with a divergence in local currency terms. In the US, for example, the S&P 500 index was up 3.47%, followed by the Nikkei 225 index up 2.85% in Japan. In Europe and the UK meanwhile, equities posted negative returns for the period. It was the more economically sensitive stocks within the UK which suffered the most, in particular mid-cap stocks, a reverse of their strong showing the month before.

Consumer price inflation fell to 2% in the UK, in line with the target set for the Bank of England. Whilst it is forecast to drift slightly higher again over the coming months, it perhaps increases the potential for the Bank of England to follow their European counterparts and consider that first cut in interest rates.

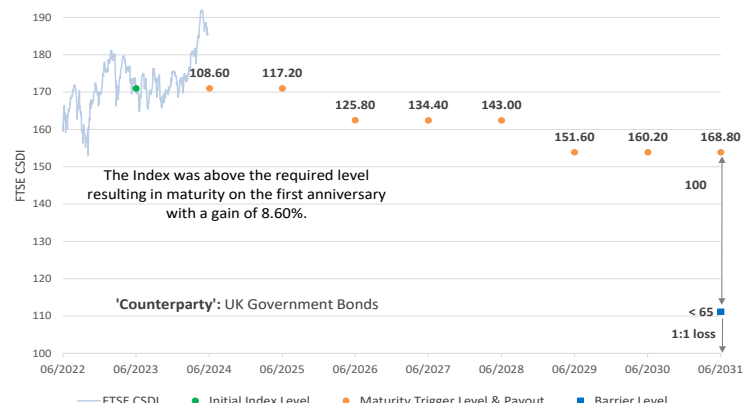
Two strategies had observation dates in June. Both were step down shapes linked to the FTSE CSDI index, with both maturing on their first anniversary. The first, strategy 58, was a structured note with Citigroup as the counterparty, which returned 9.45%, while the second, strategy 59, was a gilt collateralised contract, returning 8.60%.

Investment manager:	Lowes Investment Management
Fund type:	Irish Domiciled UCITS
Fund Size:	£28,275,595.12
Unit NAV at 28/06/2024:	Class C: £1.2947
Launch date:	11 December 2018
Base currency:	GBP
Liquidity:	Daily
Dealing deadline:	10:30am Irish time
Pricing:	Daily COB
Share type:	Accumulation
Minimum subscription amount:	Class B: £1,000,000 Class C: £100
Annual management charge:	Class B: 0.4% Class C: 0.5%
OCF:	Maximum of 1%
Reporting status:	Registered with HMRC
ISIN:	Class B: IE00BG0NV307 Class C: IE00BG0NV414
Dealing line:	+353 (0) 1434 5124

Strategy 58

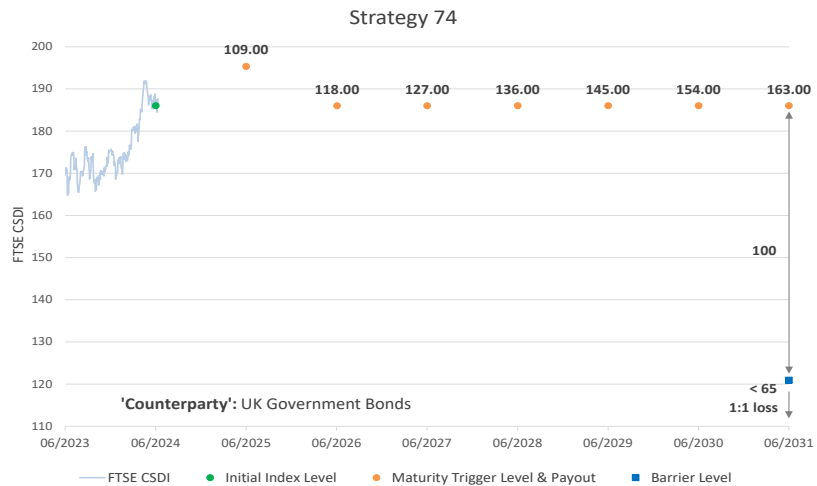


Strategy 59



One strategy was added to the Fund during the month, strategy 74. This was a maximum eight-year, gilt collateralised contract linked to the FTSE CSDI Index. To mature it requires the index to be at least 5% above its starting level at the end of year one, or if not then at or above its starting level on any other anniversary from year two onwards. For each year that it is in force it will accumulate a coupon of 9.00%.

Further details of all the strategies within the fund can be found on the Fund’s website: UKDSF.com



Projected Fund Performance (Not a reliable indicator of future results)

Whilst of course the figures in the table below should not be regarded as a reliable indicator of future results, they are an estimate of the performance over specific time periods for given market movements, based on the current holdings within the Fund and prices and index levels at the end of June.

FTSE 100 movement	-10%	-5%	0%	5%	10%
1 Year	0.36%	4.30%	5.93%	6.86%	7.40%
3 Years	8.25%	14.93%	17.31%	18.86%	19.47%

For example, if the FTSE 100 index is 5% up in 3 years, we expect the value of the Fund to rise by 18.86%.

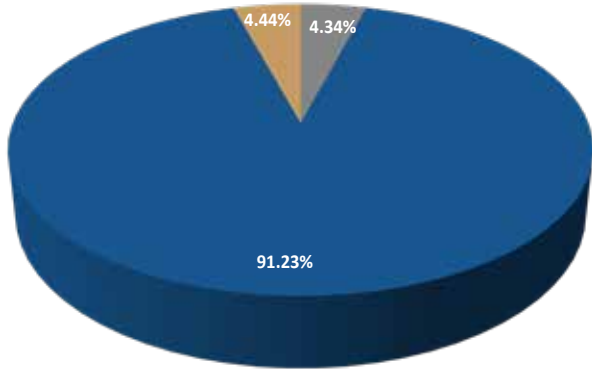
It must be noted that these figures are based on assumptions and therefore there would be a difference between these figures and the actual performance. However, given that the Fund aims to provide capital growth over the medium to long term in rising, directionless or modestly falling UK equities markets, it is pleasing to see that these estimates suggest the Fund should do just that.

Fund Discrete Performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2018	-	-	-	-	-	-	-	-	-	-	-	-0.11%	-0.11%
2019	0.73%	0.30%	0.66%	0.55%	-0.93%	1.26%	0.74%	-2.24%	1.97%	-0.01%	1.09%	1.64%	5.12%
2020	-2.23%	-9.13%	-8.36%	6.55%	4.07%	0.21%	-2.78%	2.05%	-1.54%	-4.09%	10.01%	1.59%	-5.27%
2021	-1.69%	1.05%	3.66%	3.67%	0.97%	0.42%	-0.17%	1.55%	-0.60%	1.57%	-1.53%	3.50%	12.92%
2022	0.31%	-0.19%	1.65%	-0.06%	1.25%	-3.50%	3.22%	-1.86%	-4.79%	3.52%	4.61%	0.00%	3.81%
2023	2.48%	-0.44%	-0.01%	1.04%	-1.48%	1.11%	1.06%	-0.43%	1.10%	-1.14%	2.04%	2.00%	7.50%
2024	-0.06%	0.31%	1.63%	0.72%	0.64%	0.02%	-	-	-	-	-	-	3.30%

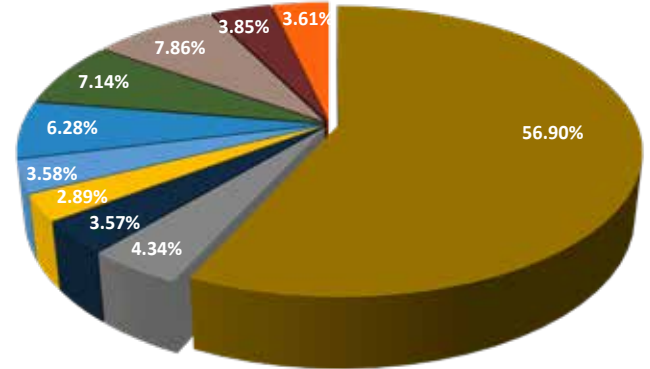
Source of all figures: FE Analytics

Asset Allocation



	(%)	
Strategies	91.23	●
Unallocated Gilts	4.44	●
Cash	4.34	●

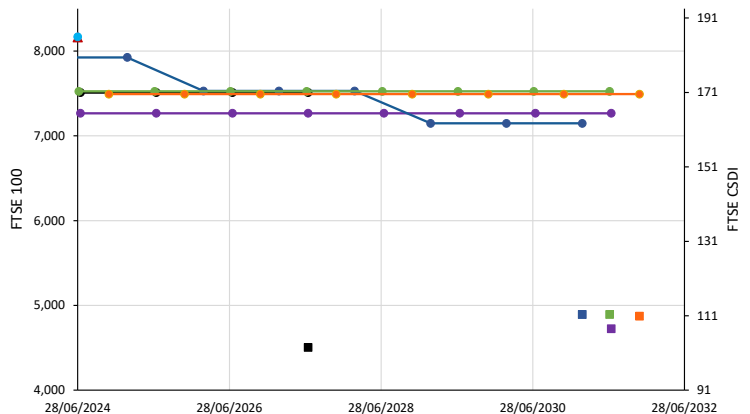
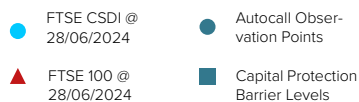
Counterparty Exposure



	(%)			(%)	
UK Government	56.90	●	Citigroup	6.28	●
Cash	4.34	●	Credit Agricole	7.14	●
Bank of America ML	3.57	●	Morgan Stanley	7.86	●
BNP Paribas	2.89	●	Goldman Sachs	3.85	●
CIBC	3.58	●	UBS	3.61	●

Fund Largest Holdings

Gilt-backed 8Y FTSE 8.31% 12/07/2027	6.96%	●
Gilt-backed 8Y CSDI 9.00% 24/11/2031	4.83%	●
Gilt-backed 8Y CSDI 8.28% SD 21/02/2031	4.82%	●
Gilt-backed 8Y CSDI 9.72% 11/07/2031	4.79%	●
Gilt-backed 8Y CSDI 9.42% 03/07/2031	4.78%	●



Summary

The Fund continues to remain positive year to date. Spread over twenty-two different strategies, it remains well diversified in terms of observations dates, observation levels and counterparty exposure. Gilt-backed strategies remain the largest allocation, while the strategies in note form are diversified across eight counterparty banks. Details of the current strategies and the investment banks used, along with further information on the fund, can be found at UKDSF.com.

We hope this update provides you with a flavour of how the Fund is currently positioned.

Sources of Indices Data: Mariana Capital / Investing.com / FT

Charges

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.

Platform Availability

- Aegon
- AJ Bell
- Allfunds
- Aviva
- FNZ Clear
- Fusion
- Hubwise
- IFDL
- James Hay
- Novia
- Nucleus
- Quilter
- Seven IM
- Scottish Widows
- Transact

Also available through SIPPs and full-service stockbrokers.

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.

The contents of this document have been issued and approved by Lowes Investment Management, who are authorised and regulated by the Financial Conduct Authority (FCA) under the firm reference number 192938.

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