

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.

Investment manager:	Lowes Investment Management
Fund type:	Irish Domiciled UCITS
Fund Size:	£26,721,287.38
Unit NAV at 31/10/2023:	Class C: £1.2042
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

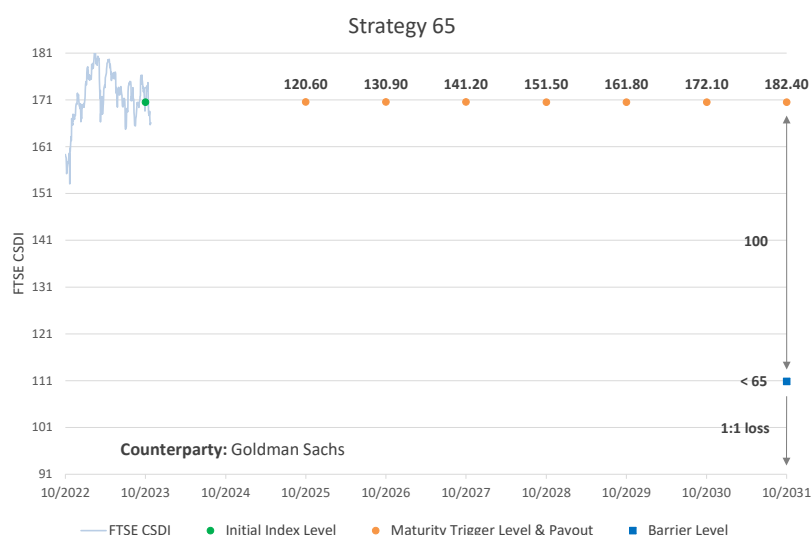
Monthly Update

The Fund fell by 1.14% in October, taking the year-to-date return to 3.28%. (Source of all figures: FE Analytics)

October was a poor month not only for UK equities, but for the main indices around the globe. Despite the Bank of England deciding not to raise interest rates further in the month, labour markets continued to be tight, which raised the likelihood that rates would remain higher for longer. The fear is that a sustained period of high rates will reduce economic activity, and consequently corporate earnings will fall down the line. The UK equity market, as measured by the FTSE 100 index, fell by 3.76% over the month, so it was pleasing to see that despite the Fund also falling, it did provide some protection.

One strategy had an observation point in the month, namely Strategy 32, a gilt backed contract linked to the FTSE CSDI. This Strategy needed the index to be at or above its starting level on any anniversary to mature with a gain of 8.08% for each year it was in force. As it turned out, on its second anniversary the index was up 2.50% and as such the strategy matured with a gain of 16.16%.

One new strategy was also added in October. Strategy 65 is a structured note linked to the FTSE CSDI, with Goldman Sachs as the counterparty. A maximum eight-year contract, it needs the index to be at or above its starting level on any anniversary to mature with a positive return, accumulating a 10.3% coupon for each year it is in force.



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 October.

FTSE 100 movement	-10%	-5%	0%	5%	10%
1 Year	-1.58%	2.42%	5.82%	8.37%	10.01%
3 Years	6.26%	12.17%	17.21%	20.76%	22.91%

For example, if the FTSE 100 index is 5% up in 3 years, we expect the value of the Fund to rise by 20.76%.

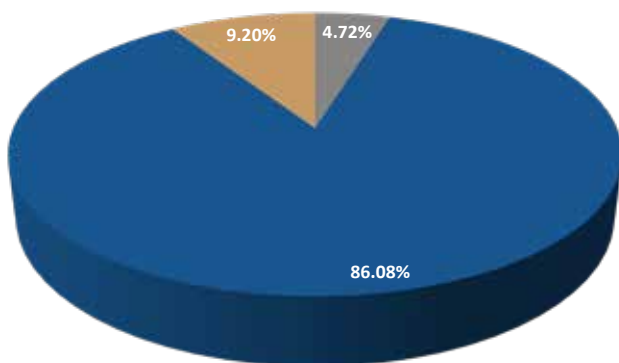
It must be noted that these figures are based on assumptions and therefore there would be a difference between these figures and the actual performance. However, given that the Fund aims to provide capital growth over the medium to long term in rising, directionless or modestly falling UK equities markets, 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%			3.28%

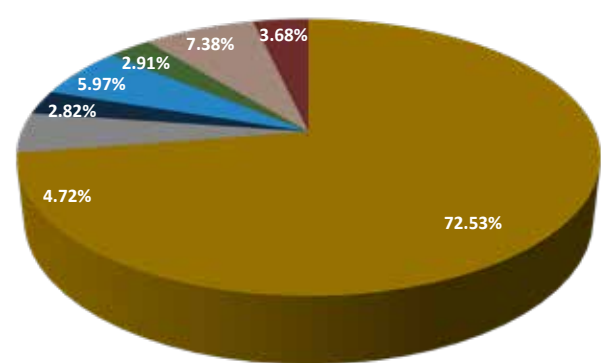
Source of all figures: FE Analytics

Asset Allocation



	(%)	
Strategies	86.08	●
Unallocated Gilts	9.20	●
Cash	4.72	●

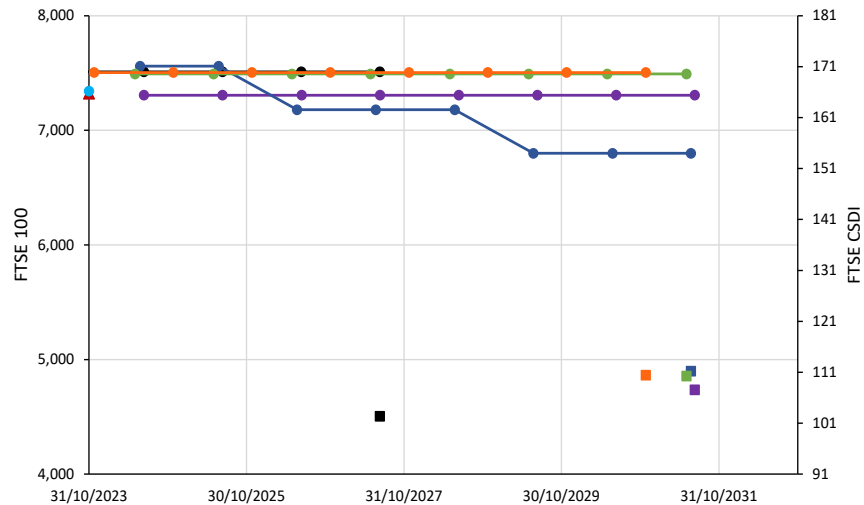
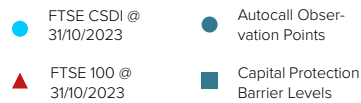
Counterparty Exposure



	(%)		(%)	
UK Government	72.53	●	Citigroup	5.97
Cash	4.72	●	Credit Agricole	2.97
BNP Paribas	2.82	●	Morgan Stanley	7.38
Goldman Sachs	3.68	●	-	-

Fund Largest Holdings

Gilt-backed 8Y FTSE 8.31% 11/07/2027	6.49%	●
Gilt-backed 8Y CSDI 10.25% 23/11/2030	4.94%	●
Gilt-backed 8Y CSDI 9.72% 11/07/2031	4.78%	●
Gilt-backed 8Y CSDI 9.60% 02/06/2031	4.73%	●
Gilt-backed 8Y CSDI SD 8.60% 27/06/2031	4.72%	●



Summary

The Fund continues to remain positive year to date. Spread over twenty-one different strategies, the Fund continues to be well diversified in terms of observations dates, observation levels and counterparty exposure. Gilt-backed strategies are spread across two investment banks, while the strategies in note form are diversified across five. 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
- Embark
- FNZ Clear
- Fusion
- Hubwise
- IFDL
- James Hay
- Novia
- Nucleus
- Quilter
- Seven IM
- Transact

Also available through SIPPs and full-service

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.

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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The tax treatment of any investment in this fund will depend on the individual circumstances of each investor and the method of investing and may be subject to change in the future. If you have any doubts as to the suitability of this investment for you then please talk to an appropriately qualified party.