

# 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 aim to provide capital growth in all but extreme negative market scenarios.

## Monthly Update

The Fund fell 0.6% in September, behind its performance comparator of cash (as measured by the Bank of England's Sterling Overnight Index Average ("SONIA")) + 5%, which rose by 0.41%.

September saw some nervousness returning to the UK stock market, with talk of rising inflation moving on to talk of monetary tightening, with both the tapering of quantitative easing and raising of interest rates being predicted. This led to equity markets falling during the month until the Bank of England and then later the US Federal Reserve kept the current status quo at their respective meetings, resulting in a slight recovery of earlier falls. An expectation for tightening to still happen later in the year tempered this recovery, however, with the UK market, as measured by the FTSE 100 Index, still ending the month down 0.47%.

Two strategies had observation points during September. One, a note with HSBC, was below its required observation level, so moved on to its next observation point in three months' time. The second, a strategy with Goldman Sachs, matured on its first anniversary returning a gain of 8.13% on its nominal value.

Two new strategies were added during the month, both based on the FTSE CSDI index. The first was a seven year strategy with a reducing reference level from 100% of its initial reference level in year one down to 92.5% in year seven. The second had similar terms but with an eight year maximum term allowing an extra possible maturity point. We took advantage of a period of increased volatility to get a slightly better coupon on the second contract at 7.8% compared to 7.2% for the former.

Further details of all the strategies within the fund can be found on the Fund's website: [www.UKDSF.com](http://www.UKDSF.com).

Investment manager:	Lowes Investment Management
Fund type:	Irish Domiciled UCITS
Fund Size:	£19,398,654.87
Unit NAV at 30/09/2021:	Class C: £1.0851
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

## Projected Performance (not a reliable indicator of future results)

FTSE 100 movement	-10%	-5%	0%	5%	10%
1 year	-1.99%	2.31%	5.85%	8.43%	10.22%
3 years	3.55%	9.32%	14.20%	17.70%	20.12%

An estimate of the performance over specific time periods for given market movements. For example, if the FTSE 100 index is 5% up in 3 years, we expect the value of the Fund to rise by 17.70%.

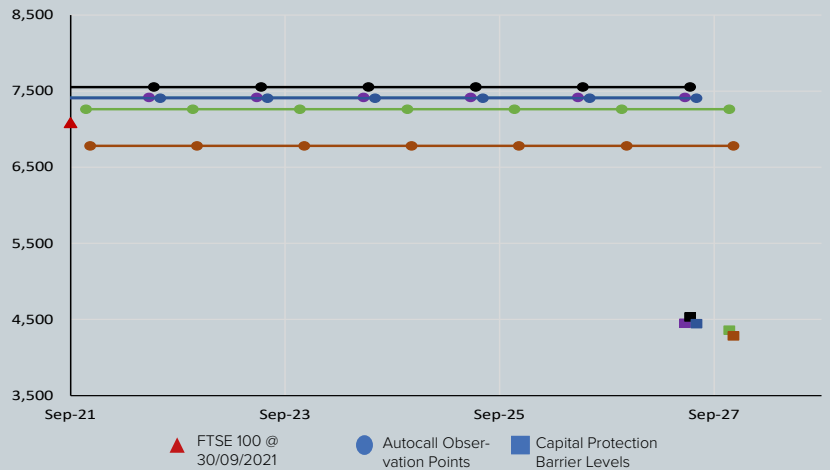
Note: The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or on current market conditions and are not an exact indicator. Therefore we would expect there to be a difference between these figures and the actual performance.

## 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%	-	-	-	9.09%

## Largest Holdings

Gilt-backed 8Y 8.31% 11/07/2027	7.76%	●
Gilt-backed 8Y 9.90% 20/11/2027	7.17%	●
Gilt-backed 8Y 8.41% 05/12/2027	5.82%	●
Gilt-backed 8Y 8.95% 24/06/2027	5.71%	●
Gilt-backed 8Y 9.00% 02/08/2027	5.69%	●

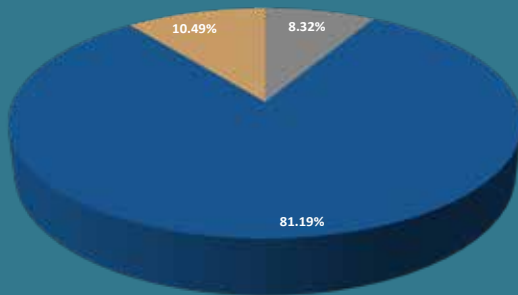


## Platform Availability

- Aegon
- AJ Bell
- Allfunds
- Aviva
- Embark
- FNZ Clear
- Fusion
- Hubwise
- IFDL
- James Hay
- Novia
- Nucleus
- Old Mutual
- Seven IM
- Transact
- Zurich

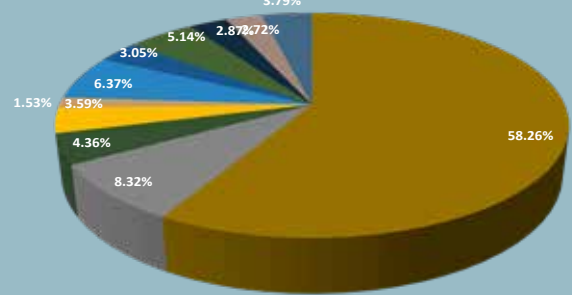
Also available through SIPPs and full-service stockbrokers.

## Asset Allocation



Asset Allocation	(%)	
Strategies	81.19	●
Gilts	10.49	●
Cash	8.32	●

## Counterparty Exposure



Counterparty Exposure	(%)		Counterparty	(%)	
UK Gov	58.26	●	HSBC	3.05	●
Cash	8.32	●	Morgan Stanley	5.14	●
Barclays	4.36	●	Banco Santander	2.87	●
Bank of America	3.59	●	Societe Generale	2.72	●
CIBC	1.53	●	Goldman Sachs	3.79	●
CitiGroup	6.37	●	-	-	

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