

Lowes UK Defined Strategy Fund

Fund Overview

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 of the Skyline Umbrella Fund (ICAV) which is authorised and regulated by the Central Bank of Ireland.

Monthly Update

The Fund moved little in December, ending down slightly at -0.26%. *(Source of all figures: FE Analytics)*

It was another mixed month for the world's equity markets, with the trends from the previous month reversing once again. The UK and US, as measured by the FTSE 100 and S&P 500 indices respectively, both fell in December. The US fell 2.50% in local currency terms, as fears over the inflationary effects of Donald Trump's proposed tariffs reduced the likelihood of interest rate cuts. Japan meanwhile, as measured by the Nikkei 225 index, was the best performer of the main regions, rising 4.41%, ahead of China at 3.28%. Europe was also positive, up 1.91%.

These returns from China and the US were further enhanced for UK investors, as sterling weakened, driven by worries over the government's ability to deliver economic growth with rising borrowing costs.

Two strategies had observation dates during December, both leading to successful maturities.

Strategy 67, a structured note with Credit Agricole as the counterparty, needed the FTSE 100 index at or above its starting level on its first anniversary to mature. It was, so it matured with a gain of 9.60%, from a rise of 6.12% in the index.

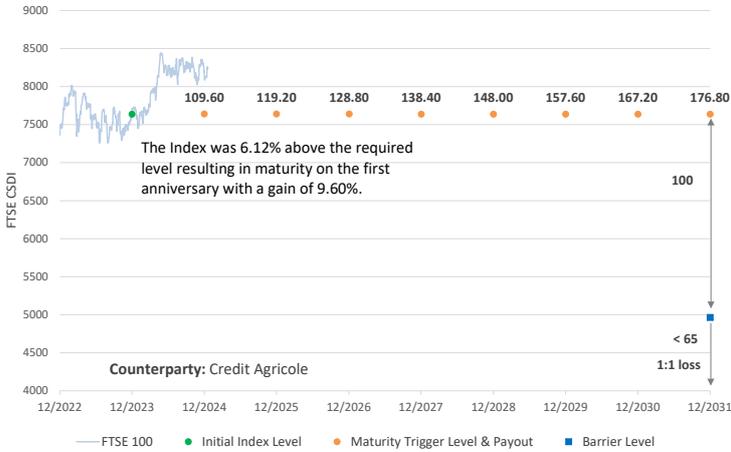
The second, strategy 68, was a gilt collateralised, over the counter (OTC) trade, linked to both the FTSE CSDI and EStoxx 50 indices. Given it was linked to two indices, it was a more defensive contract, with the required levels for maturity falling over time. As it turned out, this defensive nature was not needed, with this contract also maturing on its first anniversary, giving a return of 8.15%.

Both strategies were replaced like-for-like, with coupons of 9.53% and 9.66% respectively. The counterparty on the new structured note has changed to Citigroup, however, due to more competitive pricing.

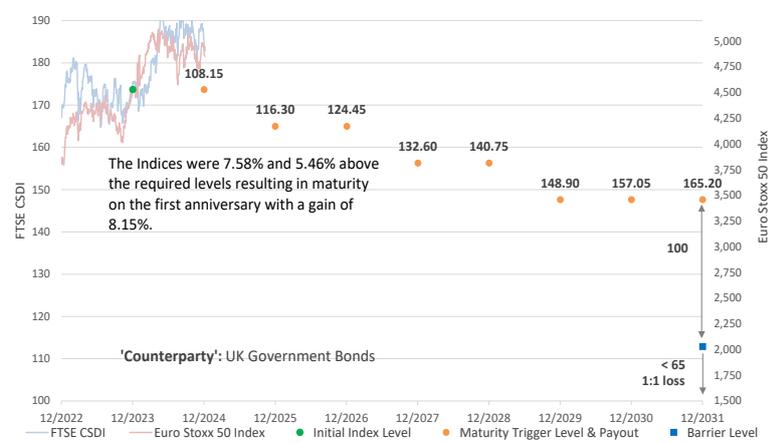
Further details of all the strategies within the fund can be found on the Fund's website: UKDSF.com

Investment manager:	Lowes Investment Management
Fund type:	Irish Domiciled UCITS
Fund Size:	£29,330,479.66
Unit NAV at 31/12/2024:	Class C: £1.3244
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 67



Strategy 68



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 December.

FTSE 100 movement	-10%	-5%	0%	5%	10%
1 Year	-1.27%	3.07%	5.95%	7.73%	8.85%
3 Years	6.22%	12.41%	16.60%	19.13%	20.67%

For example, if the FTSE 100 index is 5% up in 3 years, we expect the value of the Fund to rise by 19.13%.

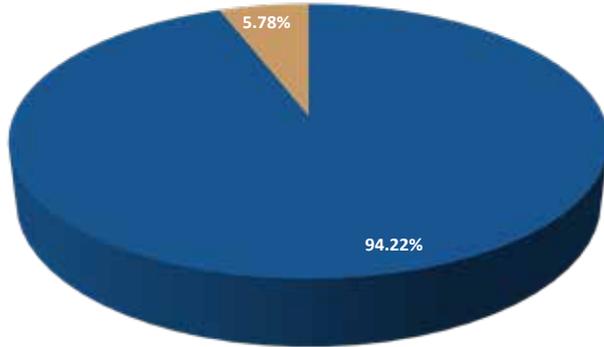
The scenarios presented are based on assumptions and are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or current market conditions and are not an exact indicator. There would be a difference between these figures and the actual performance, and what you will get will vary depending on how the market performs and how long you keep the investment/product. 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
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%	1.09%	0.75%	-0.15%	-0.63%	1.49%	-0.26%	5.66%

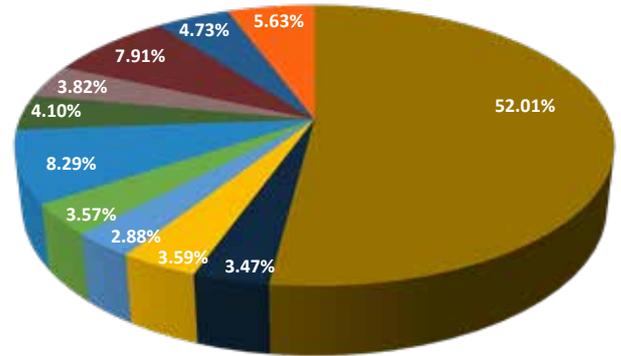
Source of all figures: FE Analytics. All figures are for the Lowes UK Defined Strategy C share class, net of fees, in Sterling.

Asset Allocation



	(%)	
Strategies	94.22	●
Unallocated Gilts	5.78	●
Cash	0.00	●

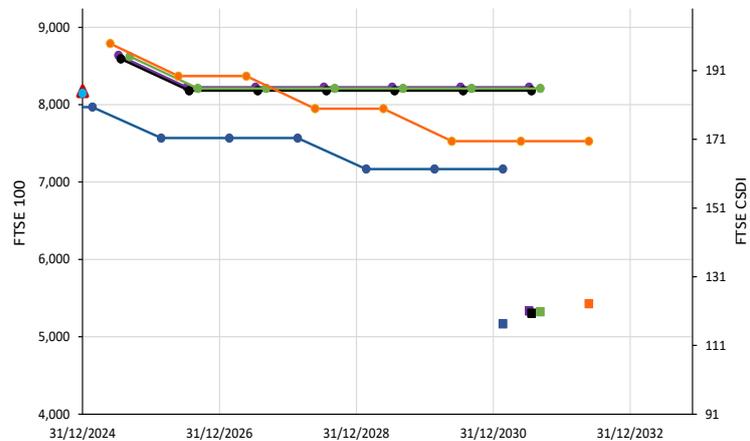
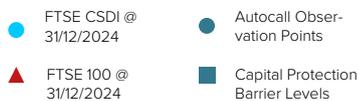
Counterparty Exposure



	(%)		(%)	
UK Government	52.01	●	Citigroup	8.29
Cash	0.00	●	Credit Agricole	4.10
Banco Santander	3.47	●	Goldman Sachs	3.82
Bank of America	3.59	●	Morgan Stanley	7.91
BNP Paribas	2.88	●	Natixis	4.73
CIBC	3.57	●	UBS	5.63

Fund Largest Holdings

Gilt Backed 8Y CSDI/E50 8.83% SD from 105% 24/05/2032	4.86%	●
Gilt Backed 8Y CSDI 8.28% SD 21/02/2031	4.85%	●
Gilt Backed 7Y CSDI 8.85% 105% ATM 23/07/2031	4.85%	●
Gilt Backed 7Y CSDI 9.01% 105% ATM 10/07/2031	4.84%	●
Gilt Backed 7Y CSDI 8.94% 105% ATM 08/09/2031	4.83%	●



Summary

Despite the slight drop over the month, the Fund was positive over the year. Spread over twenty-four 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 nine 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
- Lowes Platinum
- 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.

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.

There are risks associated with the Fund that could adversely impact its profitability or result in losses. For a full list of these risks, please refer to the section “Risk Factors” set out in the ICAV Prospectus and Supplement of the fund. A full summary of investor rights is available in English on the website of the Management Company, IQ EQ Fund Management (Ireland) limited, at <https://iqeq.com/wp-content/uploads/2024/12/November-2024-Update-IQ-EQ-Summary-of-Investor-Rights.pdf>.