

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.

Monthly Update

The Fund rose by 1.11% in June, whilst its performance comparator of cash (as measured by the Bank of England's Sterling Overnight Index Average ("SONIA")) +5% rose by 0.77%. The Fund remains in positive territory for the year to date at 2.68%. *(Source of all figures: FE Analytics)*

Markets started June positively, before giving some of those gains back towards the end of the month. Inflation remained the main point of conversation, particularly following the higher than expected release at the end of May. As we progressed through June the market had begun to anticipate a 0.25% hike in interest rates. It therefore came something of a surprise when the Bank of England took the decision to increase by 0.5% to 5%, whilst remaining hawkish over the possibility of further hikes moving forward.

Whilst bringing inflation back in line with target is hoped for, the ever increasing level of interest rates will undoubtedly bring further pressure to households, in particular those who are faced with renewing their fixed rate mortgage. Higher costs here will undoubtedly mean a lower level of disposable income, therefore potentially curtailing spending power, having negative connotations for the economy.

This was a busy month in terms of successful maturities. We saw four strategies mature within the Fund - Strategies 41, 42, 43 and 12. The first three matured on their first anniversary, delivering a return per unit of 8.70%, 9.80% and 9.48% respectively. Strategy 12 meanwhile matured on its fourth observation with a return per unit of 35.80%. This was the first gilt collateralised strategy to be added to the Fund back in 2019.

Two new strategies were added in June. The first was a step-down shape offering a potential coupon of 9.45% for each year held, with Citigroup Global Markets as the counterparty. The second was also a step-down shape, with this feature coming into play from year three onwards. This one is a gilt collateralised strategy offering a potential return of 8.6% per unit for each year it is in force.

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	£25,944,880.14
Unit NAV at 30/06/2023	Class C: £1.1973
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	-0.78%	3.47%	6.96%	8.91%	9.95%
3 years	10.23%	16.29%	20.74%	23.24%	24.48%

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 23.24%.

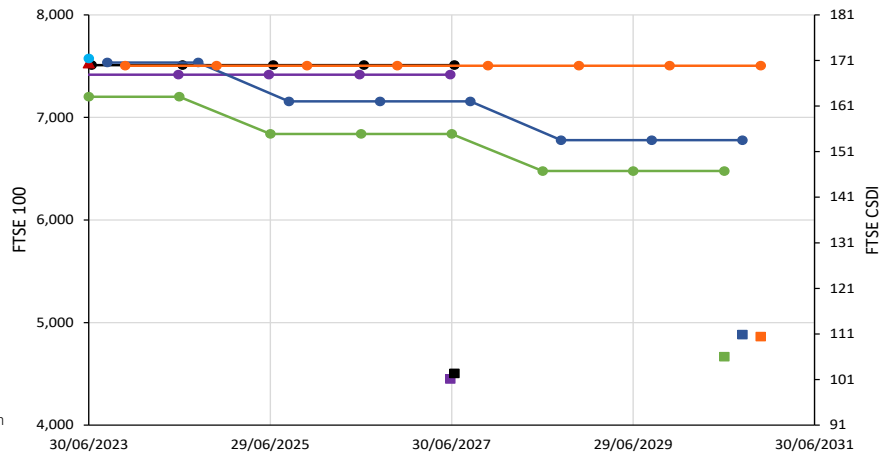
Note: The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or on current market conditions and are not an exact indicator. Therefore we would expect there to be a difference between these figures and the actual performance.

Discrete Performance (%)

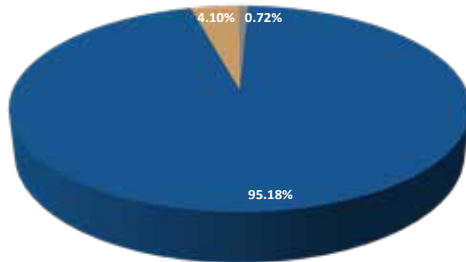
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2018	-	-	-	-	-	-	-	-	-	-	-	-0.11%	-0.11%
2019	0.73%	0.30%	0.66%	0.55%	-0.93%	1.26%	0.74%	-2.24%	1.97%	-0.01%	1.09%	1.64%	5.12%
2020	-2.23%	-9.13%	-8.36%	6.55%	4.07%	0.21%	-2.78%	2.05%	-1.54%	-4.09%	10.01%	1.59%	-5.27%
2021	-1.69%	1.05%	3.66%	3.67%	0.97%	0.42%	-0.17%	1.55%	-0.60%	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%							2.68%

Largest Holdings

Gilt-backed 8Y FTSE 8.31% 11/07/2027	7.02%	●
Gilt-backed 8Y FTSE 8.95% 24/06/2027	5.21%	●
Gilt-backed 8Y CSDI 9.48% 01/07/2030	5.12%	●
Gilt-backed 8Y CSDI 9.41% 12/09/2030	5.10%	●
Gilt-backed 8Y CSDI 10.25% 23/11/2030	5.07%	●

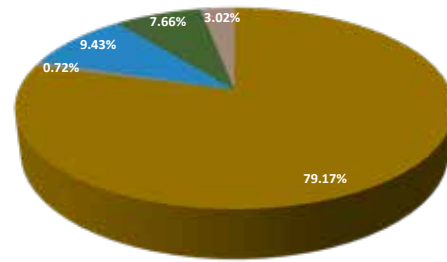


Asset Allocation



Asset Allocation	(%)	
Strategies	95.18	●
Unallocated Gilts	4.10	●
Cash	0.72	●

Counterparty Exposure



Counterparty Exposure	(%)			(%)	
UK Government	79.17	●	CitiGroup	9.43	●
Cash	0.72	●	Morgan Stanley	7.66	●
Credit Agricole	3.02	●	-	-	-

Platform Availability

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

Also available through SIPPs and full-service stockbrokers.

Disclaimer

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