

LO Funds – CAT Bonds

Syst. NAV Hdg, (EUR) N

Fact Sheet

High Conviction • Fixed Income

31 July 2018

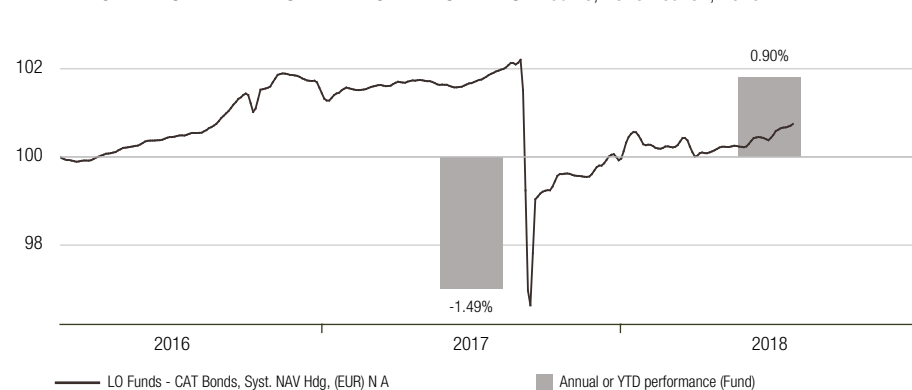
FUND FACTS

Domicile/Legal structure	Luxembourg/SICAV
Legal Status	UCITS
Fund inception date	16 February 2016
Currency of Fund	USD
Currency of share class	EUR Hedged
Fund manager	G. Gawron, S. Vuille, M. Brogli
Net assets (all classes)	EUR 133.37 million
Number of positions	124
Liquidity (sub./red.)	Weekly (Friday)
Min. investment	CHF 1'000'000 or eq
Management fee	0.90%
Distribution fee	0.00%
FROC	0.22%
TER max (31 March 2018)	1.12%

HIGHLIGHTS

LO Funds - CAT Bonds is an actively managed UCITS fund that invests in a diversified portfolio of catastrophe bonds ("CAT Bonds"). CAT Bonds are financial securities that transfer insurance risk to the capital markets. The investor in such securities receives a coupon made up of a floating money market component and an insurance premium. The premium compensates the investor for bearing the risk of a partial or total capital loss resulting from the occurrence of extraordinary predefined events such as an earthquake or a hurricane. Risk management is performed by fund managers at the portfolio level, alongside independent teams who monitor and manage investment as well as operational risk. The fund's long-only strategy has been in place since February 2016. Financial derivative instruments are used for hedging purposes only. The fund does not invest in instruments linked to life settlements.

NET PERFORMANCE AND ANNUAL PERFORMANCE IN EUR Feb 16, 2016 - Jul 31, 2018



RISK AND REWARD PROFILE

1	2	3	4	5	6	7
Low						High

CODES

	Class A
ISIN	LU1349273646
Bloomberg	LCATEIA LX
NAV	EUR 10.07

NET PERFORMANCE IN EUR

	Cumulative Fund	Annualized Fund
YTD	0.90%	-
1 month	0.38%	-
3 months	0.53%	-
1 year	-1.16%	-
Total return (since 16.02.2016)	0.75%	0.30%

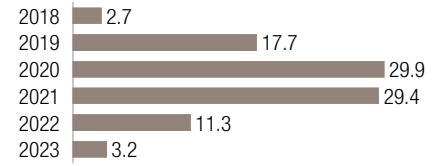
STATISTICS 16.02.2016 - 31.07.2018

	Fund	Fund
Max. drawdown	-2.96%	
Yield to maturity		10.91%
Number of positions		124
Largest position		2.58%
Expected loss		1.92%
Attachment point		6.14%
95% VaR		2.08%
99% VaR		33.24%
Average duration		0.24

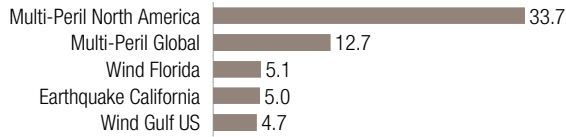
TOP POSITIONS



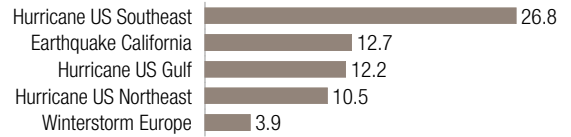
MATURITIES



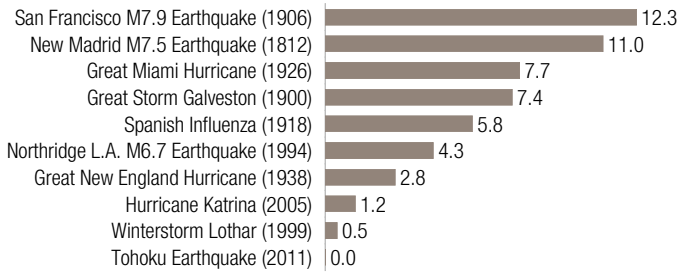
TOP NOMINAL EXPOSURES



EXPECTED LOSS CONTRIBUTION BY PERIL



MODELLED IMPACT OF HISTORICAL EVENTS (LOSS)



MONTHLY RETURNS IN %

	2016 Fund	2017 Fund	2018 Fund
January		0.2	0.3
February	-0.1	0.0	0.1
March	0.1	0.1	-0.3
April	0.2	0.0	0.3
May	0.2	-0.1	0.1
June	0.1	-0.0	0.0
July	0.1	0.3	0.4
August	0.4	0.3	
September	0.5	-3.0	
October	0.2	0.4	
November	0.3	0.1	
December	-0.5	0.1	
Year	1.4	-1.5	0.9

PARTICULAR RISKS

The following risks may be materially relevant but may not always be adequately captured by the synthetic risk indicator and may cause additional loss:

- If a predefined loss event occurs, the investment amount is not repaid in full at maturity. An event can lead to delayed payments, a partial or even total default of the investment amount. The strategy is subject to the risk of insured events, which are in each case based on the probability of occurrence and claim amounts of insured events.
- Model risk arises if the probabilities of occurrence and claim amounts of the covered event are not properly reflected in the model. The event probability of CAT Bonds is based on risk models. These are constantly being revised and developed, but they only represent

GLOSSARY

Credit Ratings: The credit ratings breakdown mentioned for convertible funds is a blend of ratings performed internally as well as ratings provided by external sources.

Risk and Reward Profile: This indicator (SRRI) represents the annualized historical volatility of the Sub-Fund over a 5-year period. Where there are less than 5 years worth of data, missing returns are simulated using an appropriate benchmark. The SRRI may change over time and should not be used as an indicator of future risk or returns. Even the lowest risk classification does not imply that the Sub-Fund is risk-free or that capital is necessarily guaranteed or protected.

Total Expense Ratio (TER): The total fees involved in managing and operating a fund. The TER included the annual management fee and other charges, for example legal, admin, and audit costs (source: annual audited reports or semi annual non audited reports). The Total Expense Ratio (TER) is calculated twice per year and is subject to change between calculation dates.

Volatility: A statistical measure of the fluctuations of a security's price. It can also be used to describe fluctuations in a particular market. High volatility is an indication of higher risk.

Sharpe Ratio: A measure of risk-adjusted performance. The higher the ratio, the better risk-adjusted performance has been.

Drawdown: A draw down is usually quoted as the percentage between the peak and trough of an investment during a specific period. It can help to compare an investment's possible reward to its risk.

Correlation: Correlation is a measure of how securities or asset classes move in relation to each other. Highly correlated investments tend to move up and down together while investments with low correlation tend to perform in different ways in different market conditions, providing investors with diversification benefits. Correlation is measured between 1 (perfect correlation) and -1 (perfect opposite correlation). A correlation

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Spain. Supervisory Authority: Comisión Nacional del Mercado de Valores (CNMV). Representative: Allfunds Bank S.A. C/Nuria, 57 Madrid.

An investment in the Fund is not suitable for all investors. Making an investment in a Fund is speculative. There can be no assurance that the Fund's investment objective will be achieved or that there will be a return on capital. Past or estimated performance is not necessarily indicative of future results and no assurance can be made that profits will be achieved or that substantial losses will not be incurred. Where the fund is denominated in

an approximation of reality. These models may be subject to uncertainty and errors. Consequently, event risks can be significantly under- or overestimated. Price risk is related to model risk to the extent that the value of CAT Bonds relies on the assessment of fundamentally unpredictable events whose probability the models seek to approximate.

- The proceeds of CAT Bond transactions are typically invested in money market funds or similar instruments backed by a government, governmental and/or supranational entity. Investors are exposed to the counterparty risk of these entities and, upon their potential default, to the market risk of the assets held as collateral.

For more details about risk, see appendix B "Risk Factors" of the prospectus.

coefficient of 0 suggests there is no correlation.

Tracking Error: A measure of how closely an investment portfolio follows the index against which it is benchmarked.

Bond Floor: The lowest value that convertible bonds can fall to, given the present value of the remaining future cash flows and principal repayment. The bond floor is the value at which the convertible option becomes worthless because the underlying stock price has fallen substantially below the conversion value.

Delta: The ratio comparing the change in the price of the underlying asset to the corresponding change in the price of a derivative.

Premium: If a fixed-income security (bond) is purchased at a premium, existing interest rates are lower than the coupon rate. Investors pay a premium for an investment that will return an amount greater than existing interest rates.

Yield to Maturity: The rate of return anticipated on a bond if it is held until the maturity date.

Coupon: The interest rate stated on a bond when it's issued.

Modified Duration: This formula is used to determine the effect that a 100-basis-point (1%) change in interest rates will have on the price of a bond.

Average Duration: The average modified duration of the portfolio expressed in years.

Expected Loss: Annual average expected loss to the portfolio expressed in percent.

Attachment Point: The modelled probability of a negative portfolio return in any given year.

FROC (Fixed Rate of Operational Costs): The Operational Costs cover expenses directly incurred by the Company ("Direct Costs") and those resulting from the activities carried out by the Management Company on behalf of the Company ("Fund Servicing Costs").

a currency other than an investor's base currency, changes in the rate of exchange may have an adverse effect on price and income. All performance figures reflect the reinvestment of interest and dividends and do not take account the commissions and costs incurred on the issue and redemption of shares/units; performance figures are estimated and unaudited. Net performance shows the performance net of fees and expenses for the relevant fund/share class over the reference period. This document does not contain personalized recommendations or advice and is not intended to substitute any professional advice on investment in financial products. Before making an investment in the Fund, an investor should read the entire Offering Documents, and in particular the risk factors pertaining to an investment in the Fund, consider carefully the suitability of such investment to his/her particular circumstances and, where necessary, obtain independent professional advice in respect of risks, as well as any legal, regulatory, credit, tax, and accounting consequences. This document is the property of LOIM and is addressed to its recipient exclusively for their personal use. It may not be reproduced (in whole or in part), transmitted, modified, or used for any other purpose without the prior written permission of LOIM. It is not intended for distribution, publication, or use in any jurisdiction where such distribution, publication, or use would be unlawful. This document contains the opinions of LOIM, as at the date of issue. The information and analysis contained herein are based on sources believed to be reliable. All information and opinions as well as the prices indicated may change without notice. The contents of this document are intended for persons who are sophisticated investment professionals and who are either authorised or regulated to operate in the financial markets or persons who have been vetted by LOIM as having the expertise, experience and knowledge of the investment matters set out in this document and in respect of whom LOIM has received an assurance that they are capable of making their own investment decisions and understanding the risks involved in making investments of the type included in this document or other persons that LOIM has expressly confirmed as being appropriate recipients of this document. If you are not a person falling within the above categories you are kindly asked to either return this document to LOIM or to destroy it and are expressly warned that you must not rely upon its contents or have regard to any of the matters set out in this document in relation to investment matters and must not transmit this document to any other person. Neither this document nor any copy thereof may be sent, taken into, or distributed in the United States of America, any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a United States Person. For this purpose, the term "United States Person" shall mean any citizen, national or resident of the United States of America, partnership organized or existing in any state,

territory or possession of the United States of America, a corporation organized under the laws of the United States or of any state, territory or possession thereof, or any estate or trust that is subject to United States Federal income tax regardless of the source of its income.

Source of the figures: Unless otherwise stated, figures are prepared by LOIM.

Important information on target performance/risk: Target performance/risk represents a portfolio construction goal. It does not represent past performance/risk and may not be representative of actual future performance/risk.

Important information on portfolio composition: The portfolio information provided in this document is for illustrative purposes only and does not purport to be

recommendation of an investment in, or a comprehensive statement of all of the factors or considerations which may be relevant to an investment in, the referenced securities. They illustrate the investment process undertaken by the manager in respect of a certain type of investment, but may not be representative of the Fund's past or future portfolio of investments as a whole and it should be understood that they will not of themselves be sufficient to give a clear and balanced view of the investment process undertaken by the manager or of the composition of the investment portfolio of the Fund. As the case may be, further information regarding the calculation methodology and the contribution of each holding in the representative account to the overall account's performance can be obtained by the Fund or the Management Company.

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