

# LO FUNDS - EURO CREDIT BOND I

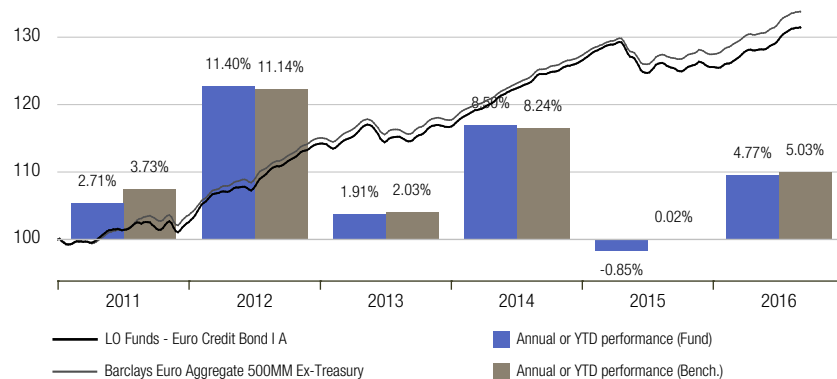
## FUND FACTS

Domicile	Luxembourg/SICAV
Fund inception date	22 June 2009
Currency of Fund	EUR
Currency of share class	EUR
Registered in	AT, CH, DE, ES, FI, FR, GB, IT, LI, LU, NL, NO, SE
Fund manager	K. Corrigan, J. Collet
Net assets (all classes)	EUR 110.78 million
Number of positions	638
Liquidity (sub./red.)	Daily
Min. investment	CHF 1'000'000 or eq
Management fee	0.45%
Distribution fee	0.00%
Performance fee	0.00%
TER max (31 March 2016)	0.65%

## HIGHLIGHTS

LO Funds - Euro Credit Bond is an actively managed long-only corporate bond strategy launched in February 2000. It invests mainly in investment grade euro denominated corporate bonds, as well as covered bonds, governmental agencies, supranationals, local authorities, and foreign sovereign bonds issued in euro. It seeks to outperform the Barclays Euro Aggregate 500MM ex-Treasury Index over the long term. The core allocation is achieved by replicating the index in the most cost-effective way for a given level of tracking error. The investment team provides a relative value overlay to this core allocation using a combination of fundamental, relative value and technical inputs. This may result in higher or lower weightings to specific industries, issuers and issues. The team does not seek to actively take duration, yield curve or currency risk.

## NET PERFORMANCE AND ANNUAL PERFORMANCE IN EUR Dec 31, 2010 - Aug 31, 2016



## RISK AND REWARD PROFILE

1	2	3	4	5	6	7
Low						High

<b>CODES</b>	Class A
ISIN	LU0428699028
Bloomberg	LIVGEIA LX
Telekurs	10186432
NAV	EUR 13.86

## FISCAL INFORMATION

EUSD	In Scope
UKRFS	No
DE InvStG	Transparent

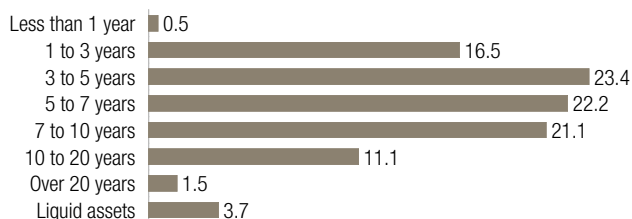
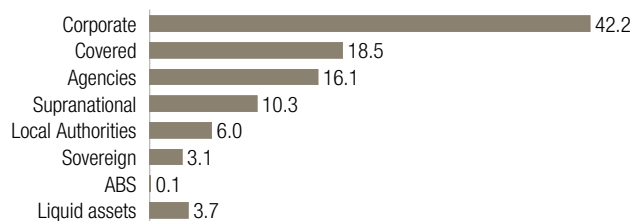
## RATINGS

Morningstar Rating	★★★★★
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NET PERFORMANCE IN EUR	Cumulative		Annualized	
	Fund	Bench.	Fund	Bench.
YTD	4.77%	5.03%	-	-
1 month	0.18%	0.18%	-	-
3 months	2.42%	2.30%	-	-
1 year	4.93%	5.53%	-	-
3 years	14.48%	15.42%	4.59%	4.87%
5 years	28.67%	30.07%	5.15%	5.37%
Total return (since 29.02.2000)	133.55%	134.10%	5.25%	5.27%

STATISTICS 31.08.2011 - 31.08.2016	Fund	Bench.	Fund	
Annualised volatility	3.17%	2.79%	Modified Duration	5.43
Sharpe ratio	1.56	1.85	Yield to maturity	0.34%
Maximum drawdown	-3.46%	-2.74%	Non Government Bonds	60.08%
Correlation		0.986	Average maturity	6.13
Tracking error		0.62%	Average coupon	2.71
			Average Rating	A+

**CREDIT RATINGS (IN %)**

**MATURITIES (IN %)**

**PORTFOLIO BREAKDOWN (IN %)**

**CORPORATE BREAKDOWN (IN %)**

**MONTHLY RETURNS**

IN %	2011		2012		2013		2014		2015		2016	
	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.
January	-0.8	-0.7	2.2	1.8	-1.0	-0.9	1.4	1.4	1.1	0.9	0.7	0.9
February	0.8	0.6	1.5	1.4	1.1	1.1	0.6	0.4	0.6	0.5	0.5	0.7
March	-0.5	-0.5	0.6	0.8	0.4	0.5	0.4	0.5	0.3	0.3	0.8	0.6
April	1.0	0.7	0.2	0.3	1.6	1.4	0.9	0.7	-0.6	-0.5	-0.0	-0.1
May	1.0	1.1	0.7	0.9	-0.3	-0.5	0.9	0.9	-0.7	-0.6	0.4	0.5
June	-0.5	-0.2	-0.8	-0.7	-1.9	-1.5	0.7	0.7	-2.0	-1.6	0.9	1.0
July	1.3	1.2	2.3	1.9	0.7	0.7	0.5	0.5	1.2	1.1	1.3	1.1
August	-0.2	0.5	1.1	1.0	-0.3	-0.3	1.2	1.2	-0.8	-0.5	0.2	0.2
September	-0.4	0.2	0.5	0.6	0.6	0.7	0.1	0.2	-0.5	-0.2		
October	0.9	0.6	0.9	0.9	1.2	1.0	0.5	0.4	1.1	0.9		
November	-2.0	-1.8	0.8	0.8	0.2	0.3	0.5	0.5	0.5	0.5		
December	2.1	2.0	0.9	0.9	-0.5	-0.5	0.4	0.4	-0.9	-0.8		
<b>Year</b>	<b>2.7</b>	<b>3.7</b>	<b>11.4</b>	<b>11.1</b>	<b>1.9</b>	<b>2.0</b>	<b>8.5</b>	<b>8.2</b>	<b>-0.9</b>	<b>0.0</b>	<b>4.8</b>	<b>5.0</b>

## 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:

- **Credit risk:** A significant level of investment in debt securities or risky securities implies that the risk of, or actual, default may have a material impact on performance. The likelihood of this depends on the credit-worthiness of the issuers.
- **Liquidity risk:** Where a significant level of investment is made in financial instruments that may under certain circumstances have a relatively low level of liquidity, there is a

material risk that the fund will not be able to transact at advantageous times or prices. This could reduce the fund's returns.

- **Concentration risk:** To the extent that the fund's investments are concentrated in a particular country, market, industry, sector or asset class, the fund may be susceptible to loss due to adverse occurrences affecting that country, market, industry, sector or asset class.

For more details about risk, see section 5 "Risk Factors" of the prospectus.

## 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)

**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 riskadjusted 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 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.

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