

LO Funds – Euro Credit Bond N

Fact Sheet

Active Strategy • Fixed Income

31 December 2018

FUND FACTS

Domicile/Legal structure	Luxembourg/SICAV
Legal Status	UCITS
Fund inception date	22 June 2009
Currency of Fund	EUR
Currency of share class	EUR
Fund manager	Y. Zufferey, J. Collet, A. Parker
Net assets (all classes)	EUR 25.19 million
Number of positions	193
Liquidity (sub./red.)	Daily, 12:00
Min. investment	CHF 1'000'000 or eq
Management fee	0.45%
Distribution fee	0.00%
FROC	0.22%
TER max (31 March 2018)	0.67%

RISK AND REWARD PROFILE

1	2	3	4	5	6	7
Low						High

CODES

	Class A
ISIN	LU0428699028
Bloomberg	LIVGEIA LX
NAV	EUR 13.66

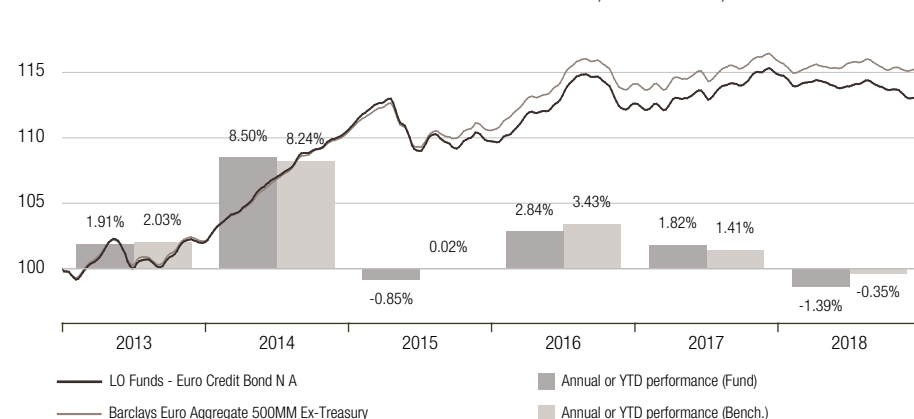
RATINGS

Morningstar Rating	★★★★★
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HIGHLIGHTS

LO Funds - Euro Credit Bond is a 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, supranational, 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 market-cap index in the most cost-effective way for a given level of tracking error. The investment team also provides a credit 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 issuers and issues. The team does not seek to actively take duration, yield curve or currency risk. Risk management is performed by fund managers at a portfolio level, alongside independent teams who manage investment risks and monitor operational risks.

NET PERFORMANCE AND ANNUAL PERFORMANCE IN EUR Dec 31, 2012 - Dec 31, 2018

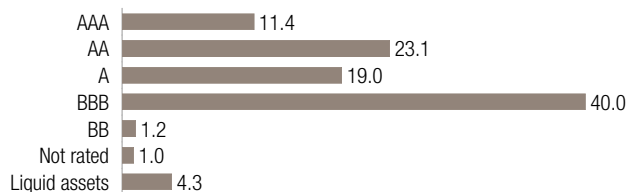
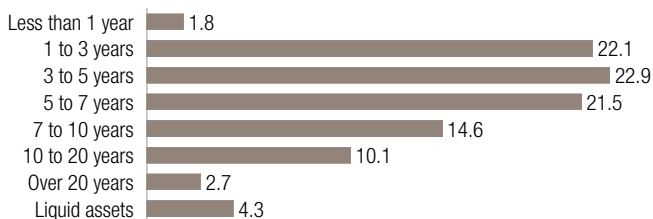
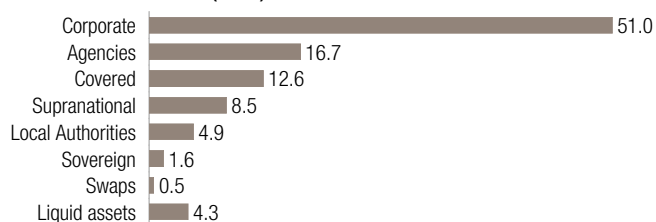


Value of investments is variable and can go down as well as up.

NET PERFORMANCE IN EUR	Cumulative		Annualized	
	Fund	Bench.	Fund	Bench.
YTD	-1.39%	-0.35%	-	-
1 month	0.19%	0.27%	-	-
3 months	-0.61%	0.07%	-	-
1 year	-1.39%	-0.35%	-	-
3 years	3.26%	4.52%	1.07%	1.48%
5 years	11.08%	13.16%	2.12%	2.49%
Total return (since 29.02.2000)	130.17%	132.95%	4.51%	4.57%

STATISTICS 31.12.2013 - 31.12.2018

	Fund	Bench.		Fund
Annualised volatility	2.36%	2.11%	Average coupon	2.49%
Sharpe ratio	0.99	1.28	Average maturity	5.69
Max. drawdown	-3.46%	-2.74%	Average rating	A+
Correlation		0.978	Modified duration	5.10
Tracking error		0.53%	Yield to maturity	0.99%
			Number of positions	193
			Non Government Bonds	64.02%

CREDIT RATINGS (IN %)**MATURITIES (IN %)****PORTFOLIO BREAKDOWN (IN %)****CORPORATE SECTORS (IN %)****MONTHLY RETURNS**

IN %	2013		2014		2015		2016		2017		2018	
	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.
January	-1.0	-0.9	1.4	1.4	1.1	0.9	0.7	0.9	-0.6	-0.6	-0.5	-0.6
February	1.1	1.1	0.6	0.4	0.6	0.5	0.5	0.7	0.8	0.9	-0.0	0.0
March	0.4	0.5	0.4	0.5	0.3	0.3	0.8	0.6	-0.3	-0.3	0.1	0.3
April	1.6	1.4	0.9	0.7	-0.6	-0.5	-0.0	-0.1	0.4	0.4	0.0	-0.1
May	-0.3	-0.5	0.9	0.9	-0.7	-0.6	0.4	0.5	0.3	0.3	-0.4	0.0
June	-1.9	-1.5	0.7	0.7	-2.0	-1.6	0.9	1.0	-0.4	-0.5	-0.1	0.1
July	0.7	0.7	0.5	0.5	1.2	1.1	1.3	1.1	0.5	0.3	0.2	0.0
August	-0.3	-0.3	1.2	1.2	-0.8	-0.5	0.2	0.2	0.6	0.7	0.2	0.2
September	0.6	0.7	0.1	0.2	-0.5	-0.2	-0.0	0.1	-0.2	-0.3	-0.3	-0.4
October	1.2	1.0	0.5	0.4	1.1	0.9	-0.9	-0.9	1.0	0.8	-0.2	0.0
November	0.2	0.3	0.5	0.5	0.5	0.5	-1.3	-1.1	-0.0	-0.0	-0.6	-0.2
December	-0.5	-0.5	0.4	0.4	-0.9	-0.8	0.4	0.4	-0.2	-0.3	0.2	0.3
Year	1.9	2.0	8.5	8.2	-0.9	0.0	2.8	3.4	1.8	1.4	-1.4	-0.4

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 appendix B "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). 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

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").

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This document is intended as advertising material.

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The fund mentioned in this document (hereinafter the "Fund") is a Luxembourg investment company with variable capital (SICAV). The Fund is authorised and regulated by the Luxembourg Supervisory Authority of the Financial Sector (CSSF) as a UCITS within the meaning of EU Directive 2009/65/EC, as amended. The management company of the Fund is Lombard Odier Funds (Europe) S.A. (hereinafter the "Management Company"), a Luxembourg based public limited company (SA), having its registered office at 5, Allée Scheffer, L-2520 Luxembourg, authorized and regulated by the CSSF as a Management Company within the meaning of EU Directive 2009/65/EC, as amended. The Fund is only registered for public offering in certain jurisdictions. Consequently, the offering of the Fund's shares may be restricted in certain jurisdictions. Prospective investors must inform themselves of, and observe, such restrictions, including legal, tax, foreign exchange or other restrictions in their relevant jurisdictions. Neither this document nor any part of it shall form the basis of, or be relied on in connection with, any contract to purchase or subscription for the Fund's shares. **Any such acquisition may only be made on the basis of the official documents of the Fund each in their final form.** The articles of association, the prospectus, the Key Investor Information Document, the subscription form and the most recent annual and semi-annual reports are the only official offering documents of the Fund's shares (the "Offering Documents"). They are available in English and in French, free of charge, and in hardcopy at the registered office of the Fund or of the Management Company, from the distributors of the Fund or from the local representatives as mentioned below.

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

Important information on benchmarks: Any benchmarks or indices included in the factsheets are for information purposes and any past performance is not a guarantee of future performance. No benchmark/index is directly comparable to a fund's investment strategy and investors should not assume there is any direct correlation between an index/benchmark's performance and that of a fund. Investors should note that for hedged share classes, the performance index hedging methodology will replicate that of the relevant share class and may include benchmark performance simulated by the Investment Manager in order to replicate the relevant share class mechanism.

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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