

# LO FUNDS - ALPHA JAPAN, SYST. HDG, (EUR) R

## FUND FACTS

Domicile	Luxembourg/SICAV
Fund inception date	22 July 2008
Currency of Fund	JPY
Currency of share class	EUR Hedged
Registered in	AT, BE, CH, DE, ES, FR, GB, IT, LI, LU, NL
Fund manager	Alpha Japan Asset Advisors Ltd
Net assets (all classes)	EUR 110.29 million
Number of positions	89
Liquidity (sub./red.)	Daily
Min. investment	EUR 1'000
Management fee	0.75%
Distribution fee	1.55%
Performance fee	20% of the outperformance / High watermark
TER max (31 March 2016)	2.75%

## RISK AND REWARD PROFILE

1	2	3	4	5	6	7
Low						High

## CODES

Class A

ISIN	LU0498928026
Bloomberg	LOAJPRE LX
Telekurs	11154958
NAV	EUR 9.47

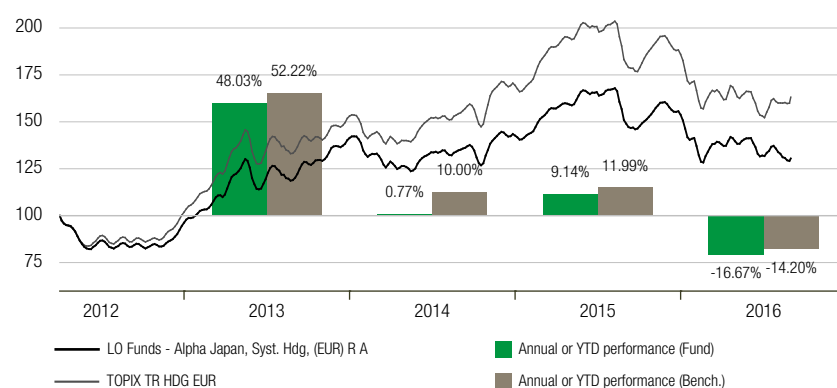
## FISCAL INFORMATION

EUSD	In Scope - no tax
UKRFS	No
DE InvStG	Not transparent

## HIGHLIGHTS

LO Funds - Alpha Japan is an actively managed UCITS portfolio. Its long-only Japanese equity strategy has been in place since July 2008. It is managed by Alpha Japan Asset Advisors and invests in large cap Japanese equities. It seeks to outperform the Topix index over the long term. Stocks are selected for their fundamental merits over the medium to long-term, and actively managed to benefit from sector rotations and flow reversals, a feature of the Japanese equity market. The strategy is opportunistic and emphasises a bottom-up approach to research in seeking investment opportunity across the capitalisation spectrum. It employs a broad market mandate that allows flexibility in security selection, sector and style exposures. The portfolio invests in around 55-80 high conviction stocks with the top 10 positions representing 30-40% of assets. Risk management is performed by the fund managers at a portfolio level, while independent teams manage investment risks and monitor operational risks.

## NET PERFORMANCE AND ANNUAL PERFORMANCE IN EUR Apr 2, 2012 - Aug 31, 2016

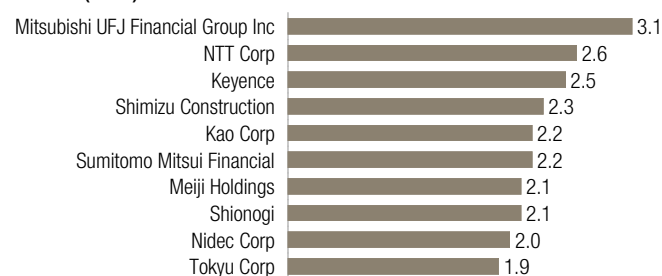


NET PERFORMANCE IN EUR	Cumulative		Annualized	
	Fund	Bench.	Fund	Bench.
YTD	-16.67%	-14.20%	-	-
1 month	-4.94%	0.51%	-	-
3 months	-9.44%	-4.26%	-	-
1 year	-15.66%	-12.92%	-	-
3 years	11.72%	25.12%	3.74%	7.72%
Total return (since 02.04.2012)	30.48%	63.14%	6.18%	11.67%

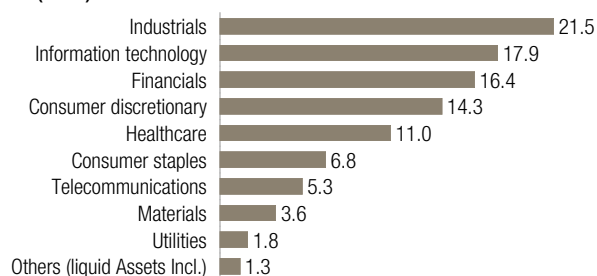
## STATISTICS 02.04.2012 - 31.08.2016

	Fund	Bench.
Annualised volatility	18.00%	18.71%
Sharpe ratio	0.33	0.61
Maximum drawdown	-22.15%	-24.78%
Correlation		0.966
Tracking error		4.85%

### TOP 10 (IN %)



### SECTORS (IN %)



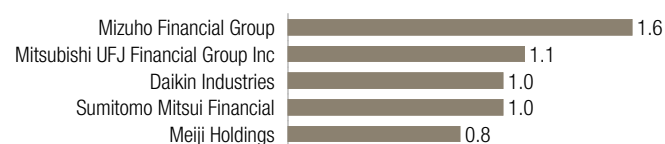
### COUNTRIES (IN %)



### CURRENCIES (IN %)



### INCREASED



### REDUCED



MONTHLY RETURNS IN %	2012		2013		2014		2015		2016	
	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.
January			5.8	9.2	-4.8	-6.3	0.3	0.5	-7.8	-7.6
February			2.9	3.7	-2.3	-0.7	6.2	7.8	-9.2	-9.4
March			4.8	7.0	-1.6	0.2	2.0	2.0	7.3	4.8
April	-5.8	-6.0	12.7	12.3	-4.0	-3.4	1.9	3.2	-0.9	-0.6
May	-12.0	-10.6	-2.8	-2.7	1.4	3.4	5.5	5.1	3.4	2.9
June	5.0	7.1	-1.2	-0.3	4.6	5.3	-2.0	-2.4	-8.0	-10.1
July	-3.8	-4.4	0.4	-0.3	2.7	2.1	1.6	1.8	3.6	6.0
August	-0.9	-0.6	-2.1	-2.3	-1.5	-0.9	-7.3	-7.4	-4.9	0.5
September	1.0	1.7	10.1	8.6	2.7	4.5	-6.8	-7.6		
October	0.7	0.6	0.8	-0.0	-0.9	0.4	8.3	10.4		
November	2.6	5.2	6.2	5.3	5.1	5.7	2.0	1.4		
December	11.0	10.1	3.4	3.6	-0.1	-0.1	-1.7	-1.9		
Year	-3.8	1.4	48.0	52.2	0.8	10.0	9.1	12.0	-16.7	-14.2

## 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:

- Operational risk and risks related to asset safekeeping: In specific circumstances, there may be a material risk of loss resulting from human error, inadequate or failed internal systems, processes or controls, or from external events.
- 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.

## 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 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

asset class.

- Financial, economic, regulatory and political risks: Financial instruments are impacted by various factors, including, without being exhaustive, the development of the financial market, the economic development of issuers who are themselves affected by the general world economic situation, and economic, regulatory and political conditions prevailing in the relevant country.

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

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

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