

LO FUNDS - ABSOLUTE RETURN BOND, SYST. HDG, (USD) M

FUND FACTS

Domicile	Luxembourg/SICAV
Fund inception date	8 February 1999
Currency of Fund	EUR
Currency of share class	USD Hedged
Registered in	BE, CH, ES, FR, GB, LI, LU, NL
Fund manager	G. Macintosh, G. Peterkin, F. Belak
Net assets (all classes)	USD 311.29 million
Liquidity (sub./red.)	Daily
Min. investment	EUR 3'000 or equivalent
Management fee	0.55%
Distribution fee	0.00%
Performance fee	10% over EONIA
TER max (31 March 2016)	0.80%

RISK AND REWARD PROFILE

1	2	3	4	5	6	7
Low						High

CODES

Class A

ISIN	LU0866432510
Bloomberg	LOTRUMA LX
Telekurs	20273760
NAV	USD 17.82

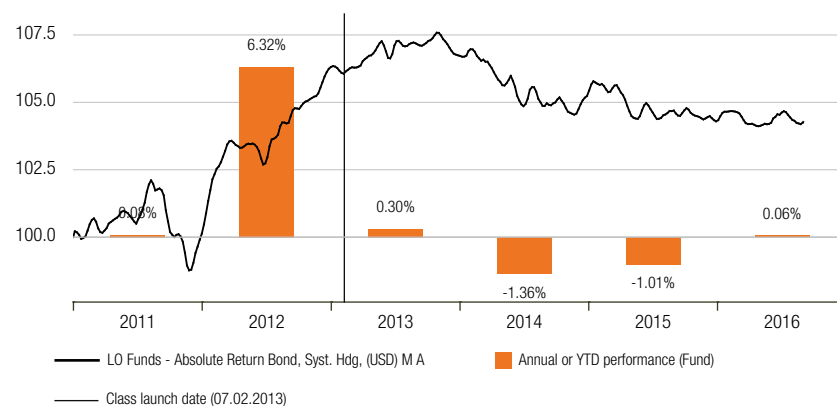
FISCAL INFORMATION

EUSD	In Scope
UKRFS	Yes
DE InvStG	Transparent

HIGHLIGHTS

LO Funds - Absolute Return Bond is an actively managed fixed income strategy launched in July 2010. It invests in fixed income instruments and currencies in developed and emerging markets, through highly liquid long and short positions including listed and over-the-counter financial derivative instruments as well as cash instruments. It seeks to deliver absolute returns uncorrelated to credit and interest rate cycles. It implements a multi-portfolio manager approach where capital is allocated to several fixed income specialists focusing on delivering uncorrelated sources of alpha. A structural portfolio allocation led by the fixed income CIO implements the highest conviction strategies and top-down views.

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



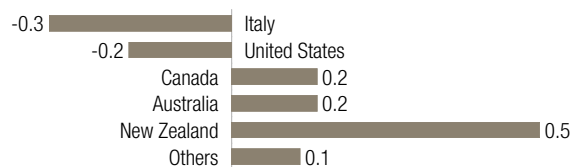
NET PERFORMANCE IN USD

	Cumulative Fund	Annualized Fund
YTD	0.06%	—
1 month	-0.15%	—
3 months	0.17%	—
1 year	-0.26%	—
3 years	-2.65%	-0.89%
5 years	2.60%	0.51%
Total return (since 16.12.2010)	4.36%	0.75%

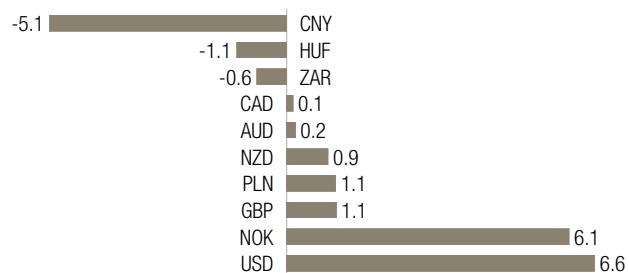
STATISTICS 31.08.2011 - 31.08.2016

Annualised volatility	2.27%	Modified Duration	0.46
Sharpe ratio	0.06	Yield to maturity	-1.67%
Maximum drawdown	-3.35%	Non Government Bonds	0.00%
		Average maturity	0.00
		Average Rating	AA-

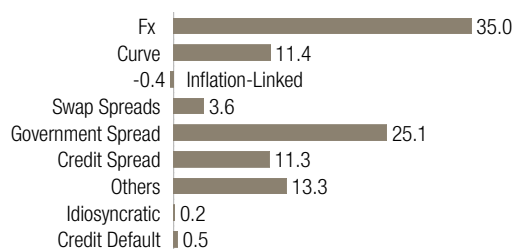
DURATION CONTRIBUTION (IN YEARS)



MAJOR ACTIVE CURRENCIES (IN % NET EXPOSURE)



RISK CONTRIBUTIONS - % VOL CONTRIBUTION

MONTHLY RETURNS
IN %

	2011 Fund	2012 Fund	2013 Fund	2014 Fund	2015 Fund	2016 Fund
January	-0.3	1.8	-0.4	0.5	0.5	0.4
February	1.1	1.1	0.3	-0.7	-0.5	0.1
March	-1.0	0.4	0.1	-0.2	0.3	-0.4
April	0.7	0.1	0.3	-0.7	-1.0	-0.2
May	0.5	0.1	0.5	0.5	0.1	0.0
June	-0.7	-1.1	-0.2	-1.1	0.1	0.3
July	1.4	1.3	0.0	0.7	-0.2	-0.0
August	-0.1	0.3	0.0	-0.6	0.1	-0.1
September	-1.4	0.6	0.2	0.2	0.4	
October	0.1	0.3	0.3	-0.6	-0.4	
November	-1.8	0.5	-0.5	0.1	-0.1	
December	1.7	0.8	-0.4	0.5	-0.2	
Year	0.1	6.3	0.3	-1.4	-1.0	0.1

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.
- **Counterparty risk:** When a fund is backed by a guarantee from a third party, or where its investment exposure is obtained to a material degree through one or more contracts with a counterparty, there could be a material risk that the counterparty to the

transactions will fail to honor its contractual obligations. This may result in a financial loss to the Fund.

- **Risks linked to the use of derivatives and financial techniques:** Derivatives and other financial techniques used substantially to obtain, increase or reduce exposure to assets may be difficult to value, may generate leverage, and may not yield the anticipated results. All of this could be detrimental to fund performance.

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

GLOSSARY

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.

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.

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

WAM: The weighted average of the time until all maturities on mortgages in a mortgage-backed security (MBS). The higher the weighted average to maturity, the longer the mortgages in the security have until maturity. Also known as "average effective maturity"

WAL: The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding

DISCLAIMER

This document is intended as advertising material.

This document has been prepared by Lombard Odier Funds (Europe) S.A. and is issued by Lombard Odier Asset Management (Europe) Limited, a private limited company incorporated in England and Wales with registered number 07099556, having its registered office at Queensberry House, 3 Old Burlington Street, London, United Kingdom, W1S 3AB, Lombard Odier Investment Managers ("LOIM") is a trade name.

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, 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.

Austria. Supervisory Authority: Finanzmarktaufsicht (FMA), Representative: Erste Bank der österreichischen Sparkassen AG, Graben 21, A-1010 Wien - **Belgium.** Supervisory Authority: Autorité des services et marchés financiers (FSMA), Financial Service: CACEIS Belgium S.A., Avenue du Port 86C, b320, 1000 Brussels - The withholding tax applicable in Belgium is 25%. The Taxe sur les Opérations de Bourse (TOB) applicable on redemption and conversion of capitalizing shares is 1.32% with a maximum of EUR 2000 per transaction. The publication media where the NAV are available for Belgian investors (approved website by FSMA and chosen by LO): www.fundinfo.com. For the management of complaints you may refer to CACEIS Belgium SA, Avenue du Port 86C, b320, 1000 Brussels, Belgium. The mediation of all complaints will be handled by Lombard Odier (Europe) Luxembourg – succursale de Belgique, Service de médiation, Avenue Louise 81, bte 12, 1050 Brussels, Belgium, as an affiliated institution to the Ombudsfund. - **France.** Supervisory Authority: Autorité des marchés financiers (AMF), Representative: CACEIS Bank, place Valhubert 1-3, F-75013 Paris - **Germany.** Supervisory Authority: Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Representative: DekaBank Deutsche Girozentrale, Mainzer Landstraße 16, D-60325 Frankfurt am Main - **Italy.** This factsheet is for professional investor only. Supervisory Authority: Banca d'Italia (BOI) / ConSob, Paying Agents: Società Generale Securities Services S.p.A., Via Benigno Crespi, 19/A - MAC 2, 20159 Milano, State Street Bank S.p.A. Via Ferrante Aporti, 10, 20125 Milano, Banca Sella Holding S.p.A., Piazza Gaudenzio Sella, 1, 13900 Biella, Allfunds Bank S.A., filiale italiana Via Santa Margherita 7, 20121 Milano, - **Liechtenstein.** Supervisory Authority: Finanzmarktaufsicht Liechtenstein ("FMA"), Representative: Verwaltungs- und Privat-Bank Aktiengesellschaft, Aeulestrasse 6, LI-9490 Vaduz, LGT Bank AG Herrengasse 12, 9490 Vaduz, Liechtenstein - **Netherlands.** Supervisory Authority: Autoriteit Financiële Markten (AFM). Representative: Lombard Odier Asset Management (Europe) Ltd, Netherlands Branch Herengracht 466, 1017 CA Amsterdam, The Netherlands - **Spain.** Supervisory Authority: Comisión Nacional del Mercado de Valores (CNMV). Representative: Allfunds Bank S.A. C/Nuria, 57 Madrid - **Switzerland.** Supervisory Authority: FINMA (Autorité fédérale de surveillance des marchés financiers), Representative: Lombard Odier Asset Management (Switzerland) SA, 6 av. des Morgines, 1213 Petit-Lancy; Paying agent: Bank Lombard Odier & Co Ltd, 11 rue de la Corrairie, CH-1204 Geneva. **UK.** Supervisory Authority: Financial Conduct Authority (FCA), Representative: Lombard Odier Asset Management (Europe) Limited, Queensberry House, 3 Old Burlington Street, London W1S3AB, which has approved this document for issuance in the UK to professional clients or eligible counterparties and is authorised and regulated by the FCA.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM The Fund is a Recognised Scheme in the United Kingdom under the Financial Services & Markets Act 2000. Potential investors in the United Kingdom are advised that none of the protections afforded by the United Kingdom regulatory system will apply to an investment in LO Funds and that compensation will not generally be available under the Financial Services Compensation Scheme. This document does not itself constitute an offer to provide discretionary or non-discretionary investment management or advisory

services, otherwise than pursuant to an agreement in compliance with applicable laws, rules and regulations.

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 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 benchmarks: Any benchmarks/indices cited herein are provided for information purposes only. No benchmark/index is directly comparable to the investment objectives, strategy or universe of a fund. The performance of a benchmark shall not be indicative of past or future performance of any fund. It should not be assumed that the relevant fund will invest in any specific securities that comprise any index, nor should it be understood to mean that there is a correlation between such fund's returns and any index returns.

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.

© 2016 Lombard Odier Investment Managers – all rights reserved.