LOMBARD ODIER
INVESTMENT MANAGERS

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

## FUND FACTS

| | |
|---|---|
| Domicile | Luxembourg/SICAV |
| Fund inception date | 8 February 1999 |
| Currency of Fund<br>Currency of share class | EUR<br>CHF Hedged |
| Registered in | BE, CH, ES, FR, GB, LI, LU, NL |
| Fund manager | G. Macintosh, G. Peterkin, F. Belak |
| Net assets (all classes)<br>Liquidity (sub./red.) | CHF 305.86 million<br>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 | LU0866432783 |
| Bloomberg | LOTRBMA LX |
| Telekurs | 20273767 |
| NAV | CHF 16.84 |

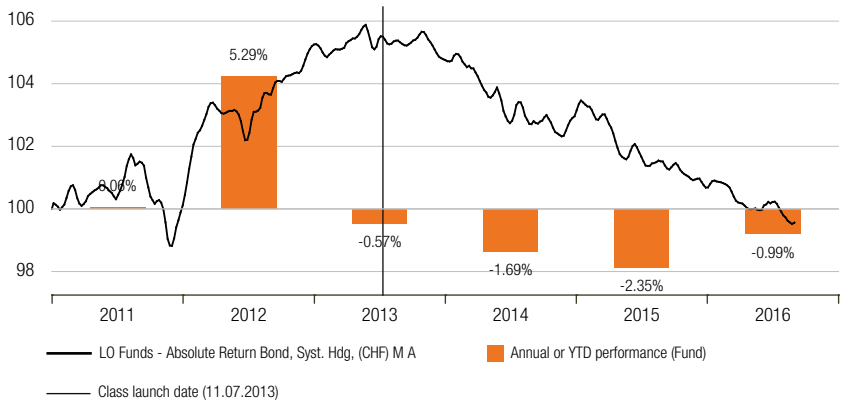
## FISCAL INFORMATION

| | |
|---|---|
| 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 CHF Dec 31, 2010 - Aug 31, 2016

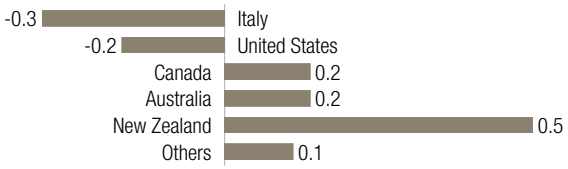



| NET PERFORMANCE IN CHF | Cumulative<br>Fund | Annualized<br>Fund |
|---|---|---|
| YTD | -0.99% | – |
| 1 month | -0.31% | – |
| 3 months | -0.28% | – |
| 1 year | -1.77% | – |
| 3 years | -5.39% | -1.82% |
| 5 years | -1.63% | -0.33% |
| Total return (since 24.09.2010) | -1.70% | -0.29% |

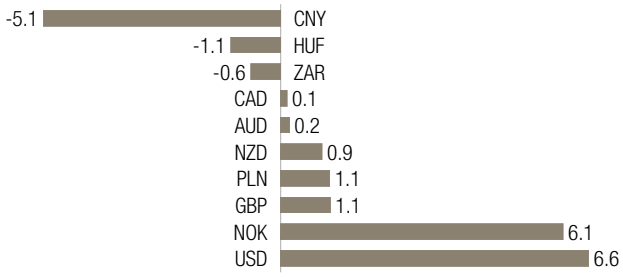
| STATISTICS 31.08.2011 - 31.08.2016 | Fund |
|---|---|
| Annualised volatility | 2.25% |
| Sharpe ratio | 0.01 |
| Maximum drawdown | -5.93% |

| | Fund |
|---|---|
| Modified Duration | 0.46 |
| Yield to maturity | -1.67% |
| Non Government Bonds | 0.00% |
| Average maturity | 0.00 |
| Average Rating | AA- |

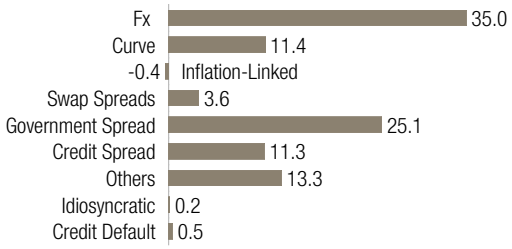
## DURATION CONTRIBUTION (IN YEARS)




## 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 | -0.2 | 1.7 | -0.6 | 0.5 | 0.4 | 0.3 |
| February | 1.1 | 1.1 | 0.4 | -0.7 | -0.7 | -0.0 |
| March | -1.1 | 0.3 | -0.0 | -0.3 | 0.2 | -0.6 |
| April | 0.6 | -0.0 | 0.2 | -0.8 | -1.2 | -0.3 |
| May | 0.3 | 0.1 | 0.4 | 0.4 | 0.0 | -0.1 |
| June | -0.7 | -1.4 | -0.5 | -1.1 | 0.0 | 0.2 |
| July | 1.3 | 1.3 | -0.1 | 0.7 | -0.4 | -0.2 |
| August | -0.2 | 0.3 | -0.0 | -0.7 | 0.0 | -0.3 |
| September | -0.7 | 0.4 | 0.2 | 0.2 | 0.3 | |
| October | -0.0 | 0.3 | 0.3 | -0.6 | -0.5 | |
| November | -2.0 | 0.3 | -0.5 | 0.0 | -0.1 | |
| December | 1.6 | 0.7 | -0.4 | 0.5 | -0.4 | |
| **Year** | **0.1** | **5.3** | **-0.6** | **-1.7** | **-2.3** | **-1.0** |

## 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


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