LOMBARD ODIER
INVESTMENT MANAGERS

LO Funds – Fundamental Equity Long/Short
Syst. NAV Hdg, Seed, (EUR) M
Fact Sheet

Alternatives • Equities

31 July 2019

FUND FACTS

Domicile/Legal structure	Luxembourg/SICAV
Legal Status	UCITS
Fund inception date	16 July 2014
Currency of Fund	USD
Currency of share class	EUR Hedged
Fund manager	S. Bulko
Net assets (all classes)	EUR 430.37 million
Liquidity (sub./red.)	Weekly (Wednesday)
Min. investment	EUR 3'000
Management fee	1.60%
Distribution fee	0%
FROC	0.35%
Performance fee	20% High Watermark
TER max (31 March 2019)	1.95%

RISK AND REWARD PROFILE

1	2	3	**4**	5	6	7

Low — High

CODES

	Class A
ISIN	LU1076438180
Bloomberg	LFSHEMA LX
NAV	EUR 10.87

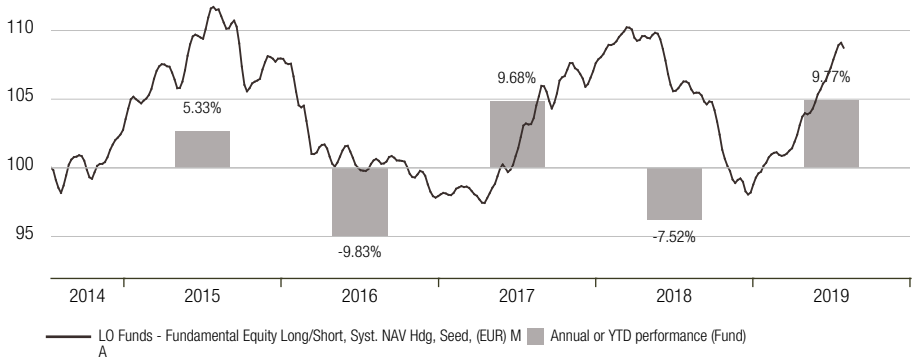
RATINGS

Morningstar Category	EAA Fund Alt - Long/Short Equity - US

HIGHLIGHTS

LO Funds - Fundamental Equity Long/Short is an actively managed UCITS portfolio. Its long-short equity strategy has been in place since 2007, and run according to UCITS since July 2014. It invests mainly in equity and equity derivatives instruments from developed markets. It seeks to generate absolute returns uncorrelated from equity markets with a lower volatility target. The investment approach focuses on US-focused equity long/short strategies. Under direction and oversight of the CIO, capital is allocated to specialist sector/strategy teams (consumer, healthcare, TMT, basic materials, energy, and catalyst) each of which has a dedicated portfolio manager, who exploit sector and strategy-specific opportunities through deep fundamental analysis. The Chief Risk Officer oversees the risk management process and report to the business CEO. Risk management is implemented through a disciplined and well defined risk-limit framework including loss and concentration limits as well as specific risk reports and analysis.

NET PERFORMANCE AND ANNUAL PERFORMANCE IN EUR Jul 16, 2014 - Jul 31, 2019



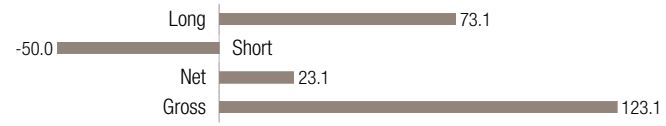
Value of investments is variable and can go down as well as up.

NET PERFORMANCE IN EUR	Cumulative Fund	Annualized Fund
YTD	9.77%	-
1 month	1.87%	-
3 months	4.31%	-
1 year	2.24%	-
3 years	8.20%	2.65%
5 years	11.01%	2.10%
Total return (since 16.07.2014)	8.74%	1.67%

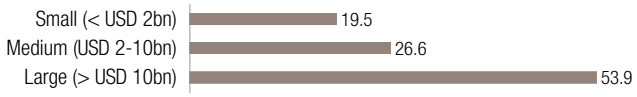
STATISTICS 31.07.2014 - 31.07.2019	Fund
Annualised volatility	6.38%
Sharpe ratio	0.37
Max. drawdown	-12.37%

Past performance is not a guide to future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units, performance is presented net of fees. The NAV of fund units and official prices of benchmarks are used for performance comparison purposes. Source of the figures: Lombard Odier. Please see important information at the end of this document.

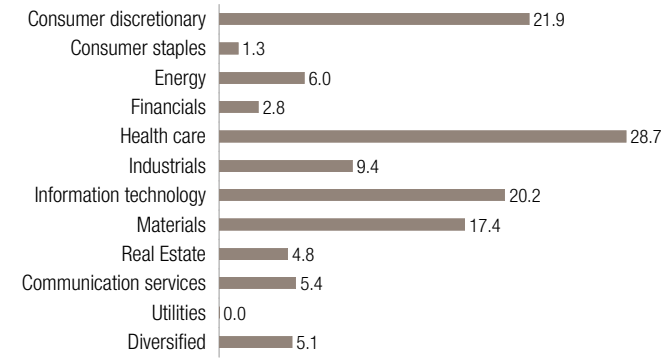
MARKET EXPOSURE (IN %)



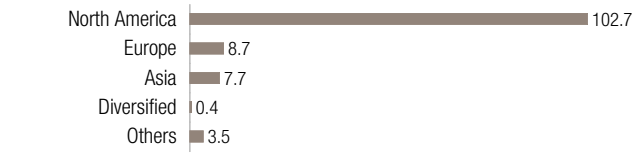
GROSS MARKET CAP EXPOSURE (AS % OF NAV)



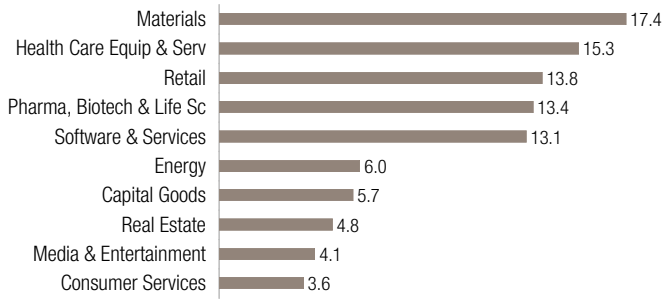
SECTORS (GROSS %)



GEOGRAPHICAL ALLOCATION (GROSS %)



TOP 10 GICS SUBSECTORS (GROSS %)



EQUITY LIQUIDITY (IN %)



TOP 5 LONG POSITIONS (IN % AUM)



TOP 5 SHORT POSITIONS (IN % AUM)



MONTHLY RETURNS IN %	2014 Fund	2015 Fund	2016 Fund	2017 Fund	2018 Fund	2019 Fund
January		2.5	-0.3	0.3	1.9	1.7
February		-0.6	-3.3	0.5	0.3	0.0
March		3.0	-2.9	-0.4	0.5	0.4
April		-2.0	-1.7	0.6	-0.8	3.0
May		2.4	2.2	1.8	-0.0	1.2
June		1.1	-1.9	-0.0	-3.5	1.2
July	-2.0	1.9	0.6	2.8	0.8	1.9
August	2.9	-1.2	-0.1	3.6	-0.3	
September	0.1	-2.9	-0.1	-2.3	-0.7	
October	-0.5	0.0	-1.3	3.7	-5.2	
November	0.8	1.0	1.0	-1.6	-0.1	
December	1.5	0.3	-2.2	0.6	-0.7	
Year	**2.8**	**5.3**	**-9.8**	**9.7**	**-7.5**	**9.8**

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:
- 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.
- Active management risk: Active management relies on anticipating various market developments and/or security selection. There is a risk at any given time that the fund may not be invested in the highest-performing markets or securities. The fund's net asset value may also decline.

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 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.
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").

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, 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 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.

© 2019 Lombard Odier Investment Managers – all rights reserved.