

# LO FUNDS - COMMODITIES RISK PARITY, SYST. HDG, (EUR) M

**Factsheet 30 June 2015**

Alternative Funds

**FUND FACTS**

Domicile	Luxembourg/SICAV
Fund inception date	6 July 2011
Currency of Fund	USD
Currency of share class	EUR Hedged
Registered in	BE, CH, ES, FR, GB, LI, LU, NL
Manager(s)	M. Pellaud, Ph.D., L. Joué
Net Assets (all classes)	EUR 97.79 million
Number of positions	21
Liquidity (sub./red.)	Daily
Min. investment	EUR 3'000
Management fee	0.825%
Distribution fee	0.00%
TER max (31 March 2015)	1.18%

**RISK AND REWARD PROFILE**

1	2	3	4	5	6	7
Low						High

**CODES**

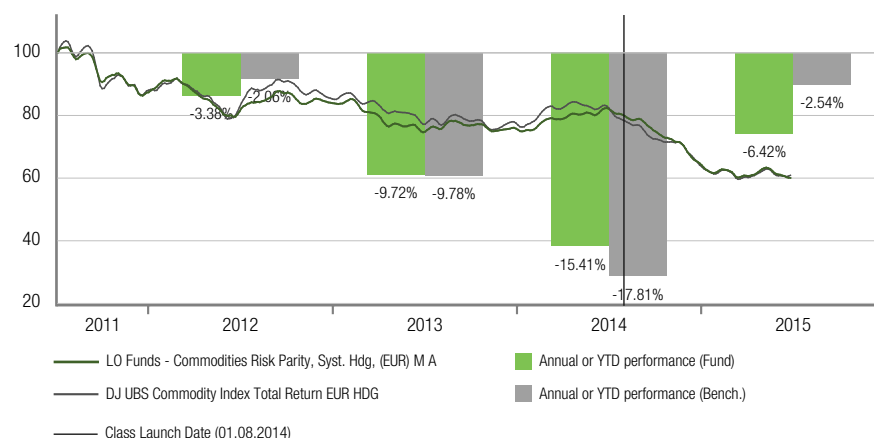
ISIN	LU0866414377
Bloomberg	LOCREUM
NAV	EUR 6.00

**FISCAL INFORMATION**

EUSD	In Scope
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**HIGHLIGHTS**

LO Funds - Commodities Risk Parity is a rule-based UCITS portfolio. Its long-only commodity strategy has been in place since July 2011. It offers exposure to commodities in the energy, agriculture and metal sectors. It seeks to deliver stronger risk-adjusted returns over an economic cycle than traditional indices such as DJ UBS Commodity index. The investment approach seeks to replicate, through a Total Return Swap, LOIM Commodities Risk Parity index. This index equalises the risk contribution of three sectors (energy, metal, agriculture) and of individual commodities within each of these. The cost of rolling forward future contracts is optimised whilst taking into account the shape of forward curves in commodity markets. Risk management is performed by fund managers at a portfolio level, alongside independent teams who oversee investment, counterparty and operational risks.

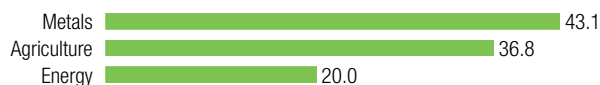
**NET PERFORMANCE AND ANNUAL PERFORMANCE IN EUR Jul 6, 2011 - Jun 30, 2015**


NET PERFORMANCE IN EUR	Cumulative		Annualized	
	Fund	Bench.	Fund	Bench.
YTD	-6.42%	-2.54%	-	-
1 month	-2.09%	1.66%	-	-
3 months	-0.12%	4.22%	-	-
1 year	-26.91%	-25.06%	-	-
3 years	-26.89%	-25.73%	-9.88%	-9.41%
Total return (since 06.07.2011)	-40.03%	-38.19%	-12.00%	-11.33%

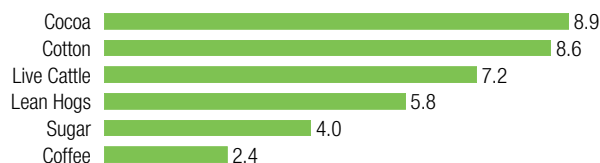
**STATISTICS Jul 6, 2011 - Jun 30, 2015**

	Fund	Bench.
Annualized volatility	11.78%	14.97%
Sharpe ratio	-1.06	-0.79
Maximum drawdown	-40.91%	-42.84%
Correlation		0.928
Tracking error		5.97%

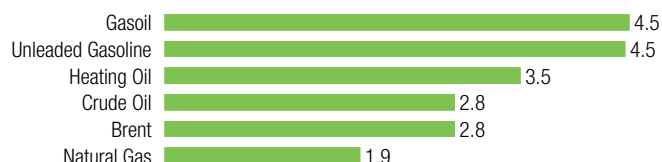
**SECTORS (IN %)**



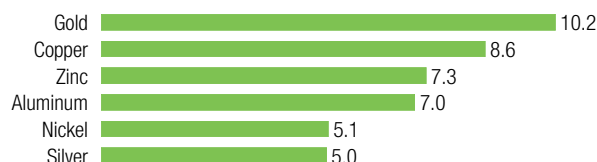
**AGRICULTURE (IN %)**



**ENERGY (IN %)**



**METALS (IN %)**



MONTHLY RETURNS IN %	2011		2012		2013		2014		2015	
	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.
January			4.0	2.4	1.3	2.3	-1.0	0.3	-3.9	-3.6
February			1.3	2.6	-4.2	-4.3	4.7	6.1	2.1	2.6
March			-4.3	-4.2	-0.8	0.7	0.7	0.4	-4.5	-5.4
April			-2.0	-0.4	-4.3	-2.7	1.4	2.4	5.1	5.5
May			-6.8	-9.8	-1.3	-2.3	-0.2	-2.9	-3.0	-2.8
June			2.7	5.3	-2.8	-4.7	2.5	0.6	-2.1	1.7
July	1.5	2.7	2.9	6.6	2.0	1.3	-2.6	-5.1		
August	-0.5	1.1	2.0	1.2	3.1	3.4	-0.8	-1.1		
September	-10.7	-15.8	1.3	1.6	-1.6	-2.5	-5.3	-6.5		
October	3.6	6.4	-3.8	-3.9	-0.3	-1.5	-3.1	-0.8		
November	-2.9	-2.3	2.4	0.0	-1.4	-0.8	-5.2	-4.1		
December	-4.3	-3.9	-2.3	-2.6	0.5	1.2	-7.0	-7.9		
<b>Year</b>	<b>-13.2</b>	<b>-12.7</b>	<b>-3.4</b>	<b>-2.1</b>	<b>-9.7</b>	<b>-9.8</b>	<b>-15.4</b>	<b>-17.8</b>	<b>-6.4</b>	<b>-2.5</b>

## 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.
- 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

## 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.

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to loss due to adverse occurrences affecting that country, market, industry, sector or asset class.

- Model Risk: Models may be misspecified, badly implemented or may become inoperative when significant changes take place in the financial markets or in the organization. Such a model could unduly influence portfolio management and expose to losses.

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

**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

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

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