

LO Funds – Defensive Systematic Alternative Solution

Syst. NAV Hdg, (EUR) M

Fact Sheet (marketing document)

Liquid Alternatives Strategies • Alternatives

28 February 2022

FUND FACTS

Domicile/Legal structure	Luxembourg/SICAV
Legal Status	UCITS
Fund inception date	6 August 2014
SFDR Classification	Article 6
Currency of Fund	USD
Currency of share class	EUR Hedged
Fund manager	L. Joué, M. Pellaud (Ph.D.)
Net assets (all classes)	EUR 11.01 million
Liquidity (sub./red.)	Daily, 15:00
Min. investment	EUR 3'000
Management fee	0.935%
Distribution fee	0.00%
FROC	0.35%
TER max (30 September 2021)	1.29%

HIGHLIGHTS

The LO Funds – Defensive Systematic Alternative Solution (D-SAS) is a tail hedge strategy launched in April 2021. It seeks to provide a hedge solution against downside market risk and rising volatility environment. It aims to mitigate the negative carry and decay inherent to hedge strategies while maintaining high convexity and reliability. It invests in rule-based long/short strategies within two main groups:

1. The Risk-off Convexity group of strategies seeks to take advantage from extreme market movements and rising volatility, by deploying systematic strategies such as, but not limited to, long volatility or intraday trends.
2. The Diversifying Income group of strategies seeks to extract risk premia across different asset classes with low market correlation, by deploying systematic strategies such as, but not limited to, carry and relative-value arbitrages. It uses a risk-based framework to combine these individual strategies, helping to create a robust and dynamic portfolio over time.

STATISTICS 26.04.2021 - 28.02.2022

	Fund
Max. drawdown	-9.91%

RISK AND REWARD PROFILE

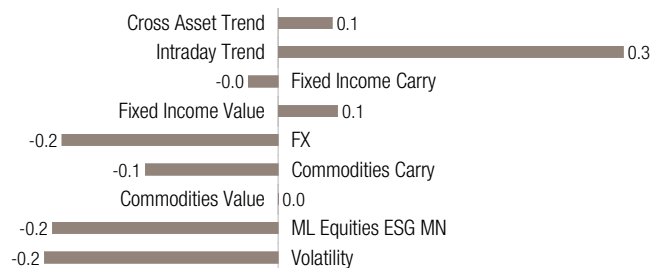
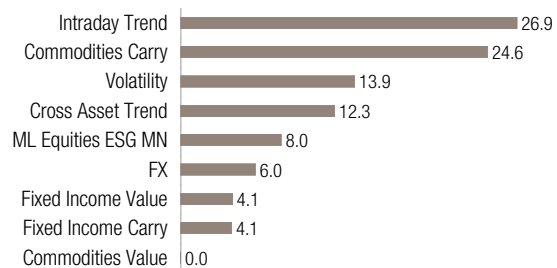
1	2	3	4	5	6	7
Low						High

CODES

ISIN	LU1087779234
Bloomberg	LORPEMA LX
NAV	EUR 8.25

RATINGS

Morningstar Category	Alt - Multistrategy
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MONTHLY GROSS PERF. CONTRIBUTION BY STRATEGY (%)**PORTFOLIO BREAKDOWN (IN %)**

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.
- 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

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 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 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").

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