

LO Funds – US Responsible Equity Enhanced

Syst. NAV Hdg, (GBP) M

Fact Sheet

Smart Beta • Equities

31 July 2019

FUND FACTS

Domicile/Legal structure	Luxembourg/SICAV
Legal Status	UCITS
Fund inception date	25 June 2015
Currency of Fund	USD
Currency of share class	GBP Hedged
Fund manager	A. Medvedev, N. Mieszkalski
Net assets (all classes)	GBP 123.47 million
Liquidity (sub./red.)	Daily, 12:00
Min. investment	EUR 3'000 or equivalent
Management fee	0.55%
Distribution fee	0%
FROC	0.35%
TER max (31 March 2019)	0.90%

RISK AND REWARD PROFILE

1	2	3	4	5	6	7
Low						High

CODES

	Class A
ISIN	LU1230570829
Bloomberg	LOUSGMA LX
NAV	GBP 13.06

RATINGS

Morningstar Sustainability	High
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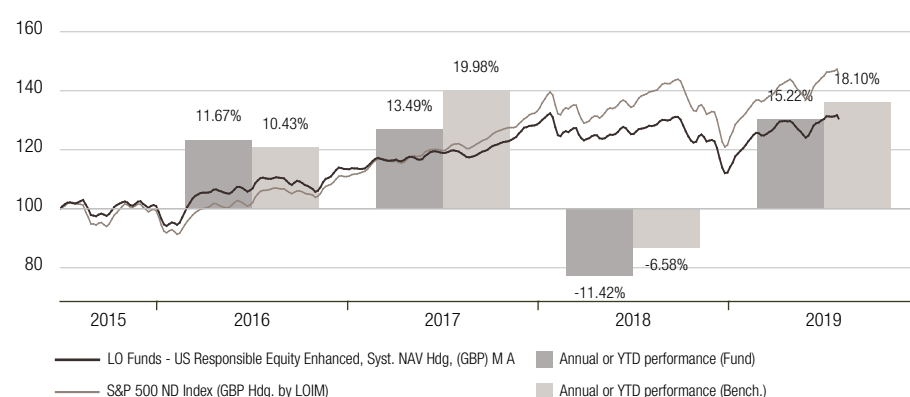
HIGHLIGHTS

LO Funds – US Responsible Equity Enhanced is a long-only systematically managed core US equity strategy launched in June 2015. It aims to preserve balanced exposure to factor premia while making a meaningful, positive impact from an Environmental, Governance and Social (ESG) perspective. It invests in securities within the S&P 500 Index and seeks to offer better risk adjusted returns than the benchmark over the long-term.

The investment approach seeks to offer a transparent, systematic and dynamic process combining: i) an exclusion of the least responsible and riskiest companies, ii) favoring within each sector responsible companies engaged in ethical businesses, scoring well using a proprietary ESG measurement approach – one that focuses on tangible results – and low carbon emitters, iii) a multi-factor equal exposure proprietary approach focusing on Value, Quality, Momentum, Low Risk and Small Size to identify financially attractive firms. It systematically screens for the best responsible companies with strongest financial and business fundamentals with potential for future growth along with the most attractive valuations and market trends. Stocks weighting are therefore based on Responsible & Financial scoring of each company within each sector. The resulting portfolio has a controlled tracking error of 2-3%, neutral sector allocation versus the benchmark.

The portfolio typically holds around 180 stocks and is rebalanced on a quarterly basis. 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 GBP Jun 30, 2015 - Jul 31, 2019



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

NET PERFORMANCE IN GBP

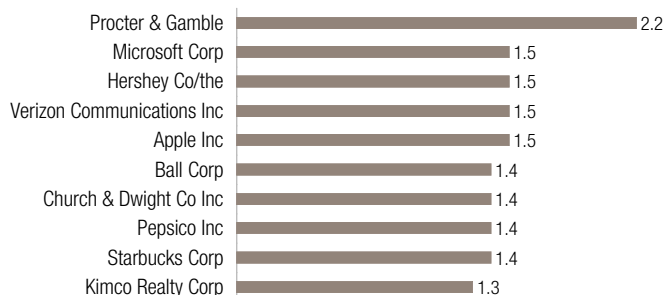
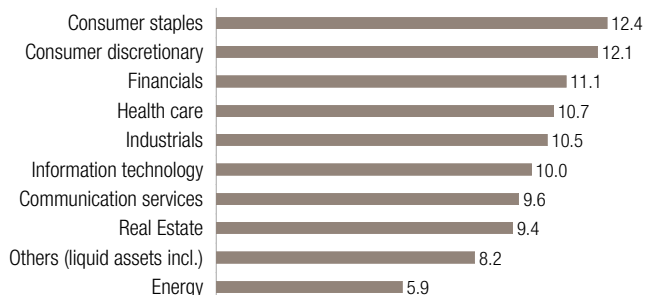
	Cumulative	
	Fund	Bench.
YTD	15.22%	18.10%
1 month	0.98%	1.31%
3 months	0.39%	0.84%
1 year	1.95%	4.98%
3 years	18.13%	36.85%
Total return (since 30.06.2015)	30.59%	45.62%

	Annualized	
	Fund	Bench.
	-	-
	-	-
	-	-
	-	-
	5.68%	10.96%
	6.72%	9.59%

STATISTICS 30.06.2015 - 31.07.2019

	Fund	Bench.
Annualised volatility	11.27%	12.55%
Sharpe ratio	0.54	0.72
Max. drawdown	-13.72%	-14.14%
Correlation		0.954
Tracking error		3.83%

	Fund
Number of positions	166

TOP 10 (IN %)**SECTORS (IN %)****COUNTRIES (IN %)****CURRENCIES (IN %)****INCREASED (SECURITIES)****REDUCED (SECURITIES)**

MONTHLY RETURNS IN %	2015		2016		2017		2018		2019	
	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.
January			-4.2	-5.2	0.3	1.8	2.7	5.3	7.4	7.6
February			2.4	-0.2	3.7	3.9	-4.6	-4.0	3.3	3.0
March			7.1	6.5	-0.2	0.0	-1.0	-2.6	1.3	1.8
April			-0.1	0.3	0.5	0.9	-0.2	0.3	2.1	3.9
May			0.9	1.7	-0.0	1.3	0.3	2.3	-6.2	-6.8
June			0.5	0.2	1.2	0.5	0.4	0.5	5.9	6.8
July	2.4	2.1	2.9	3.7	0.5	1.9	2.7	3.6	1.0	1.3
August	-4.0	-6.1	-0.5	0.1	-1.2	0.1	1.8	3.1		
September	-1.3	-2.5	-0.2	-0.0	2.2	1.9	0.4	0.4		
October	5.3	8.2	-3.1	-2.0	1.6	2.2	-5.9	-7.1		
November	0.3	0.3	3.8	3.5	4.3	2.9	1.9	1.8		
December	-1.5	-1.7	2.1	1.9	-0.0	1.0	-9.7	-9.2		
Year	0.9	-0.4	11.7	10.4	13.5	20.0	-11.4	-6.6	15.2	18.1

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:

- 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 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.

- Financial, economic, regulatory and political risks: Financial instruments are impacted by various factors, including, without being exhaustive, the development of the financial market, the economic development of issuers who are themselves affected by the general world economic situation, and economic, regulatory and political conditions prevailing in the relevant country.

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 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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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 benchmarks: Any benchmarks or indices included in the factsheets are for information purposes and any past performance is not a guarantee of future performance. No benchmark/index is directly comparable to a fund's investment strategy and investors should not assume there is any direct correlation between an index/benchmark's performance and that of a fund. Investors should note that for hedged share classes, the performance index hedging methodology will replicate that of the relevant share class and may include benchmark performance simulated by the Investment Manager in order to replicate the relevant share class mechanism.

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.

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