

# LO FUNDS - JAPAN EQUITY FACTOR ENHANCED, (JPY) I

## FUND FACTS

Domicile	Luxembourg/SICAV
Fund inception date	25 May 2016
Currency of Fund	JPY
Currency of share class	JPY
Registered in	AT, CH, DE, ES, FR, GB, IT, LI, LU, NL
Fund manager	A. Deruaz (CFA), N. Mieszkalski
Net assets (all classes)	JPY 2.91 bn
Number of positions	238
Liquidity (sub./red.)	Daily
Min. investment	CHF 1'000'000 or eq
Management fee	0.45%
Distribution fee	0.00%
Performance fee	0.00%

## RISK AND REWARD PROFILE

1	2	3	4	5	6	7
Low						High

## CODES

Class A

ISIN	LU1366343488
Bloomberg	LOJEFIA LX
Telekurs	31449665
NAV	JPY 9'860.00

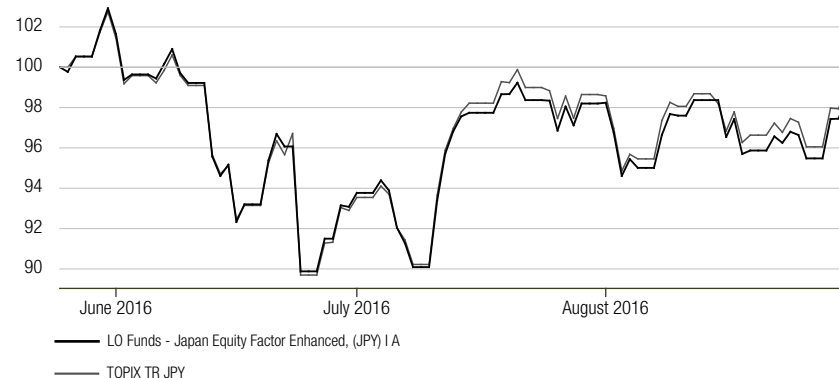
## FISCAL INFORMATION

EUSD	In Scope - no tax
UKRFS	No
DE InvStG	Not transparent

## HIGHLIGHTS

LO Funds - Japan Equity Factor Enhanced is a rule-based portfolio. Its long-only Japanese equity strategy has been in place since May 2016. It invests in securities within the Topix universe. It seeks to offer higher risk-adjusted returns compared to the Topix index. The investment approach seeks to offer a transparent, systematic and dynamic process combining: i) a factor-based stock selection focusing on Value, Quality and Small Size and ii) a risk-based allocation achieving diversification by equalizing the risk contribution of sectors to the portfolio. The portfolio typically holds around 200 to 300 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 IN JPY May 25, 2016 - Aug 31, 2016

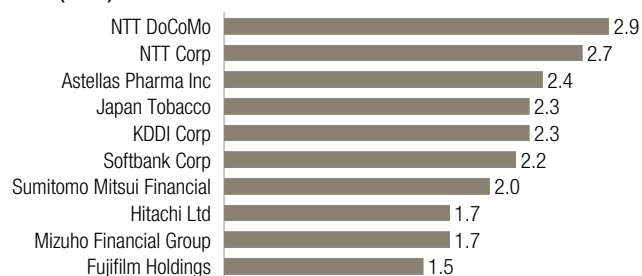
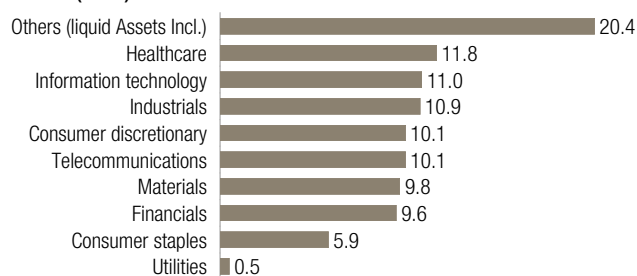
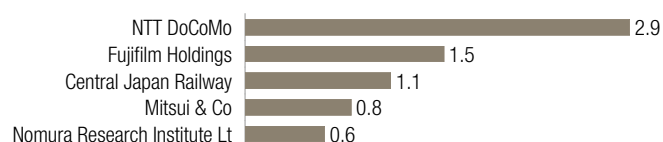
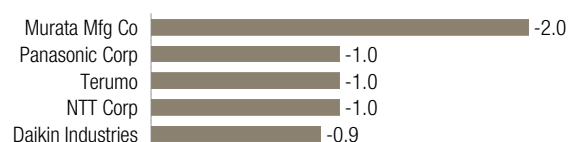


## NET PERFORMANCE IN JPY

	Cumulative	
	Fund	Bench.
1 month	0.41%	0.55%
3 months	-4.20%	-3.47%
Total return (since 25.05.2016)	-1.40%	-0.81%

## STATISTICS 25.05.2016 - 31.08.2016

	Fund	Bench.
Maximum drawdown	-9.56%	-9.59%
Correlation		0.999

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

	2016	
	Fund	Bench.
January		
February		
March		
April		
May	2.9	2.8
June	-9.6	-9.6
July	5.5	6.2
August	0.4	0.5
September		
October		
November		
December		
<b>Year</b>	<b>-1.4</b>	<b>-0.8</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:

- **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 section 5 "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)

**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.

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

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