

LO Funds – TargetNetZero Europe Equity (EUR) M

Fact Sheet (marketing document)

Systematic • Equities

30 November 2021

FUND FACTS

Domicile/Legal structure	Luxembourg/SICAV
Legal Status	UCITS
Fund inception date	25 June 2015
SFDR Classification	Article 9
Currency of Fund	EUR
Currency of share class	EUR
Fund manager	N. Mieszkalski, A. Medvedev
Net assets (all classes)	EUR 37.57 million
Liquidity (sub./red.)	Daily, 12:00
Min. investment	EUR 3'000
Management fee	0.22%
Distribution fee	0.00%
FROC	0.30%
TER max (31 March 2021)	0.90%

HIGHLIGHTS

LO Funds – TargetNetZero Europe Equity is a long-only, systematically managed, core Europe equity strategy launched in April 2021.

It invests in securities within the MSCI Europe index based on proprietary sustainability processes, aiming to reduce the risk of climate transition. Moreover, the strategy seeks to select and allocate to issuers with the objective to form a universe compatible with the fight against global warming. It integrates a wide range of climate objectives covering the risk of transition, the opportunities and the physical risk linked to climate change.

It aims to increase exposure to issuers which can contribute to a reduction in global CO2 emissions and the eventual achievement of net zero CO2 emissions by 2050. This will include issuers already targeting such net zero CO2 emissions by 2050, as well as issuers that may not yet have set such targets but that progressively may be brought into alignment, including through regulatory action, investor engagement and market changes.

The Investment Manager will aim to ensure a faster rate of reductions in CO2 emissions in the portfolio when compared to the MSCI Europe index. The achievement of these aims are dependent on regulatory, technological and commercial developments external to the Investment Manager and there can be no guarantee that they will be achieved in respect of the above referenced aims.

Risk management is performed by fund managers at a portfolio level, alongside independent teams who oversee investment, counterparty and operational risks.

STATISTICS	26.04.2021 - 30.11.2021	Fund	Bench.
Max. drawdown		-3.12%	-3.01%
Correlation			0.998

	Fund
Number of positions	300

RISK AND REWARD PROFILE

1	2	3	4	5	6	7
Low						High

CODES	Class A	Class D
ISIN	LU1230572361	LU1230572445
Bloomberg	LOEEEMA LX	LOEEMDE LX
NAV	EUR 14.50	EUR 13.21

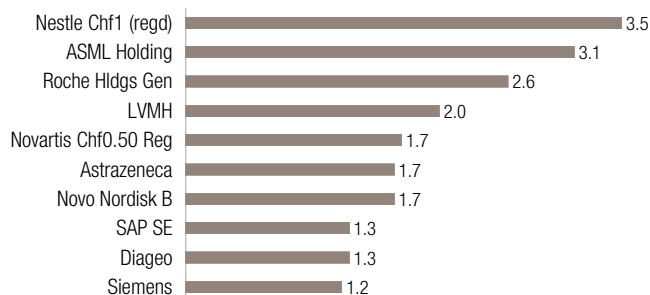
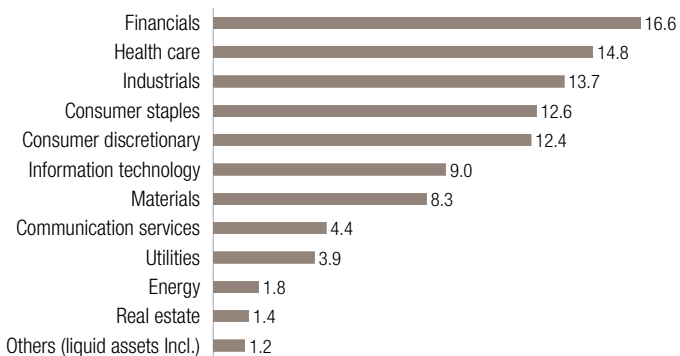
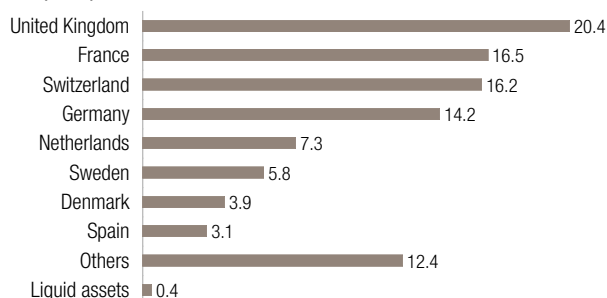
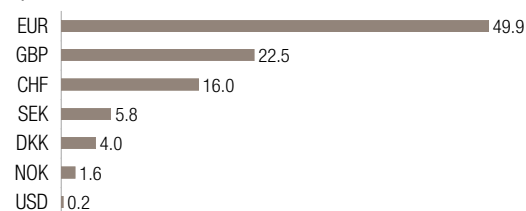
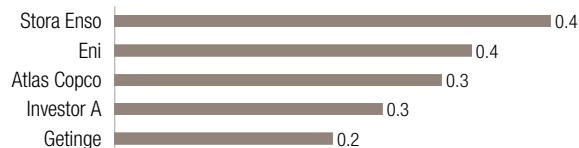
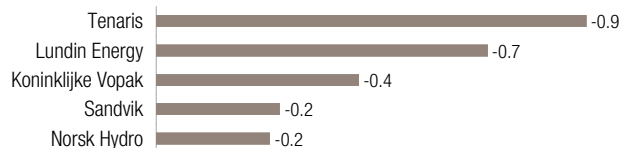
FISCAL INFORMATION

Last dividend paid (26.11.2021)	EUR 0.23
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RATINGS

Morningstar Rating	★★★★★
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— Fund — Benchmark

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

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.
- 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

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

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Luxembourg: Commission de Surveillance du Secteur Financier (CSSF), 291, route d'Arlon, L-1150 Luxembourg; www.cssf.lu

An investment in the Fund is not suitable for all investors. Making an investment in a Fund is speculative. There can be no assurance that the Fund's investment objective will be achieved or that there will be a return on capital. Past or estimated performance is not necessarily indicative of future results and no assurance can be made that profits will be achieved or that substantial losses will not be incurred. Where the fund is denominated in a currency other than an investor's base currency, changes in the rate of exchange may have an adverse effect on price and income. All performance figures reflect the reinvestment of interest and dividends and do not take account the commissions and costs incurred on the issue and redemption of shares/units; performance figures are estimated and unaudited. Net performance shows the performance net of fees and

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 appendix B "Risk Factors" of the prospectus.

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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