

PrivilEdge – H2O High Conviction Bonds

Syst. Hdg, (USD) P

Fact Sheet (marketing document)

Liquid Alternatives Strategies • Alternatives

30 November 2022

FUND FACTS

| | |
|----------------------------------|-----------------------------|
| Domicile/Legal structure | Luxembourg/SICAV |
| Legal Status | UCITS |
| Fund inception date | 30 November 2016 |
| SFDR Classification | Article 6 |
| Currency of Fund | EUR |
| Currency of share class | USD Hedged |
| Fund manager | H2O (Monaco) S.A.M. |
| Net assets (all classes) | USD 238.34 million |
| Liquidity (sub./red.) | daily, 12:00 |
| Swinging Single Pricing | Yes |
| Min. investment | EUR 3'000 or equivalent |
| Entry/Exit fees | 0.00% / 0.00% |
| Management fee | 0.80% |
| Distribution fee | 0.45% |
| FROC | 0.35% |
| Performance fee | 25% in excess of bmk +0.85% |
| Ongoing charge (31 October 2022) | 1.61% |
| TER max (31 March 2022) | 1.60% |

RISK AND REWARD PROFILE

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

Low High

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.

CODES

| | |
|-----------|--------------|
| ISIN | LU1525842701 |
| Bloomberg | PEHCPAU LX |
| NAV | USD 18.00 |

FISCAL INFORMATION

| | |
|-----------------|-----|
| ES - Switchable | Yes |
|-----------------|-----|

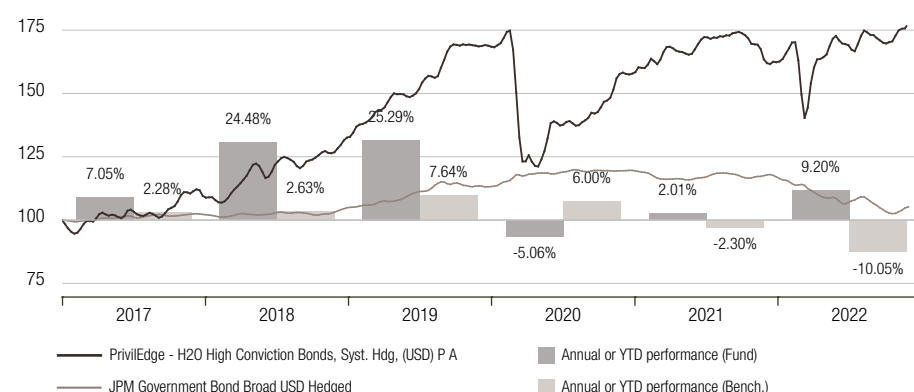
RATINGS

| | |
|--------------------|-------|
| Morningstar Rating | ★★★★★ |
|--------------------|-------|

HIGHLIGHTS

PrivilEdge – H2O High Conviction Bonds is an actively managed global unconstrained fixed income strategy. It is managed by H2O Asset Management based in London. The objective of the fund is to outperform the JP Morgan Government Bond Broad Index over 3-year periods. The management team has a top-down philosophy focusing on government bonds, currencies and corporate bonds. They have an active portfolio management approach using derivatives and backed with fully integrated risk management process. Investment ideas are generally expressed through 10 to 15 investment themes. Most of the instruments used are highly liquid (daily liquidity). The views are put together totally independently from the positions embedded in the benchmark. Portfolio is systematically re-assessed as markets dictates.

NET CUMULATIVE PERFORMANCE AND ANNUAL PERFORMANCE IN USD Dec 31, 2016 - Nov 30, 2022



Past performance does not predict future returns. Performances are displayed net of all costs except any entry and exit fees. Performance is subject to taxation may change in the future. Returns may increase or decrease because of currency fluctuations.

NET PERFORMANCE IN USD

| | Fund | Bench. |
|---------------------------------|--------|---------|
| YTD | 9.20% | -10.05% |
| 1 month | 1.85% | 2.04% |
| 3 months | 2.15% | -1.23% |
| 1 year | 9.74% | -10.77% |
| 3 years | 4.24% | -7.39% |
| 5 years | 59.52% | 3.01% |
| Total return (since 30.11.2016) | 80.03% | 5.49% |

| STATISTICS 30.11.2017 - 30.11.2022 | Fund | Bench. |
|------------------------------------|---------|---------|
| Annualised volatility | 17.14% | 4.28% |
| Sharpe ratio | 0.49 | -0.18 |
| Max. drawdown | -27.40% | -14.14% |
| Correlation | | -0.025 |
| Tracking error | | 17.77% |

| | Fund | Bench. |
|---------------------------------|--------|--------|
| Annualized | | |
| YTD | - | - |
| 1 month | - | - |
| 3 months | - | - |
| 1 year | - | - |
| 3 years | 1.39% | -2.51% |
| 5 years | 9.77% | 0.59% |
| Total return (since 30.11.2016) | 10.27% | 0.89% |

| | Fund |
|---------------------|------|
| Number of positions | 10 |

MONTHLY RETURNS

| IN % | 2017 | | 2018 | | 2019 | | 2020 | | 2021 | | 2022 | |
|-------------|------------|------------|-------------|------------|-------------|------------|-------------|------------|------------|-------------|------------|--------------|
| | Fund | Bench. | Fund | Bench. | Fund | Bench. | Fund | Bench. | Fund | Bench. | Fund | Bench. |
| January | -7.4 | -0.7 | -1.1 | -0.8 | 2.6 | 0.8 | 1.7 | 2.3 | -0.1 | -0.8 | 5.8 | -1.4 |
| February | 6.7 | 0.9 | 4.0 | -0.0 | 2.0 | -0.1 | -6.9 | 1.7 | -0.0 | -2.1 | -14.0 | -1.0 |
| March | 3.1 | -0.1 | 4.2 | 1.3 | 2.4 | 1.9 | -20.7 | 0.4 | 7.2 | -0.3 | 10.2 | -2.1 |
| April | -0.2 | 0.7 | 5.8 | -0.4 | 5.1 | -0.2 | -1.2 | 0.8 | -2.4 | 0.1 | 1.2 | -2.5 |
| May | -1.8 | 0.5 | -4.9 | 0.3 | -1.2 | 1.9 | 10.1 | -0.1 | 0.2 | 0.2 | 5.6 | -0.5 |
| June | 2.2 | -0.3 | 6.0 | 0.4 | -0.2 | 1.4 | -0.6 | 0.2 | 4.5 | 0.6 | -1.1 | -1.2 |
| July | -0.7 | 0.2 | 1.3 | -0.2 | 7.2 | 0.8 | 0.1 | 1.0 | -0.5 | 1.4 | 1.0 | 2.2 |
| August | 0.2 | 1.0 | -4.4 | 0.2 | 2.6 | 2.9 | 1.4 | -1.1 | 1.0 | -0.3 | -0.1 | -2.7 |
| September | 2.7 | -0.7 | 4.2 | -0.5 | 4.8 | -0.6 | 2.2 | 0.7 | -0.5 | -1.2 | -3.3 | -2.9 |
| October | 5.9 | 0.4 | 3.3 | 0.0 | -1.4 | -0.5 | 4.4 | -0.2 | -3.7 | -0.2 | 3.8 | -0.3 |
| November | 0.2 | 0.3 | 0.7 | 0.7 | 0.6 | -0.4 | 7.0 | 0.2 | -3.7 | 1.1 | 1.9 | 2.0 |
| December | -3.3 | 0.1 | 3.8 | 1.8 | -1.4 | -0.6 | 0.8 | 0.1 | 0.5 | -0.8 | | |
| Year | 7.1 | 2.3 | 24.5 | 2.6 | 25.3 | 7.6 | -5.1 | 6.0 | 2.0 | -2.3 | 9.2 | -10.1 |

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.

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 may be difficult to value, may generate leverage, and may not yield the anticipated results. All of this could be detrimental to fund performance.

Active management risk: Active management relies on anticipating various market developments and/or security selection. There is a risk at any given time that the fund may not be invested in the highest-performing markets or securities. The fund's net asset value may also decline.

Before taking any investment decision, please read the latest version of the prospectus, the articles of incorporation, the Key Investor Information Documents (KIIDs) and the latest annual report and semi-annual report. Please pay attention to the Appendix B "Risk Factors Annex" of the prospectus.

Incorporation of extra-financial risks into the investment decision process may result in underweighting of profitable investments from the sub-fund's investment universe and may also lead the management of the sub-fund to underweight investments that will continue to perform. Sustainability risks may lead to a significant deterioration in the financial profile, profitability or reputation of an underlying investment and may therefore have a significant impact on its market price or liquidity.

The Fund is not a financial product subject to Article 8 or Article 9 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector (the "SFDR"). The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

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").

Swinging Single Pricing (SSP): SSP is an adjustment to the NAV per share in consideration of subscription and redemption activity on a dealing day. For more information, please refer to Section 15.1 "Net Asset Value Determination" of the Sub-Fund Prospectus, which can be found at www.loim.com.

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