

LO Funds – TargetNetZero Euro IG Corporate P

Fact Sheet (marketing document)

Fundamental Fixed Income • Fixed Income

30 November 2021

FUND FACTS

Domicile/Legal structure	Luxembourg/SICAV
Legal Status	UCITS
Fund inception date	8 February 1999
SFDR Classification	Article 9
Currency of Fund	EUR
Currency of share class	EUR
Fund manager	E. Wranegard, A. Parker, D. Yung
Net assets (all classes)	EUR 81.95 million
Liquidity (sub./red.)	Daily, 12:00
Swinging Single Pricing	Yes
Min. investment	EUR 3'000
Management fee	0.35%
Distribution fee	0.35%
FROC	0.32%
TER max (31 March 2021)	1.25%

RISK AND REWARD PROFILE

1	2	3	4	5	6	7
Low						High

CODES	Class A	Class D
ISIN	LU0095725387	LU0095725890
Bloomberg	LOMHYEB LX	LOMHYBD LX
NAV	EUR 19.58	EUR 10.31

FISCAL INFORMATION

Last dividend paid (26.11.2021)	EUR 0.04
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RATINGS

Morningstar Rating	★★★★★
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HIGHLIGHTS

LO Funds – TargetNetZero Euro IG Corporate is a long-only Euro corporate strategy launched in April 2021. It mainly invests in securities within the Bloomberg Barclays Euro Aggregate Corporates 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.

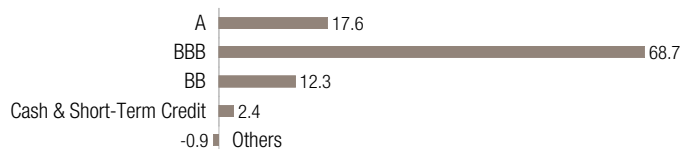
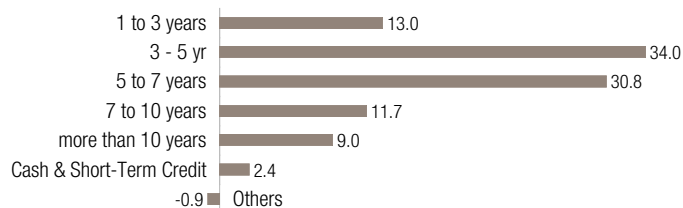
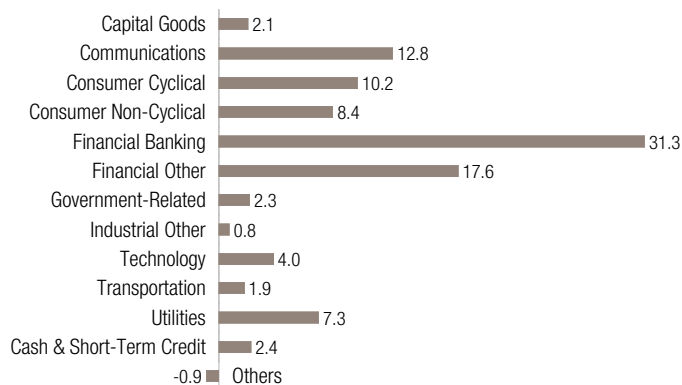
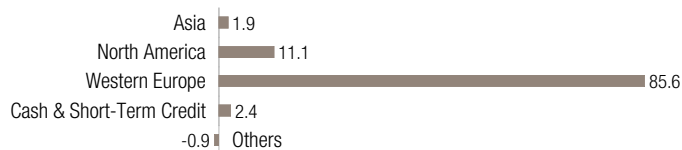
It aims to invest in issuers which can contribute to a reduction in global CO2 emissions and the eventual achievement of net zero CO2 emissions by 2050. This will include issuers already targeting such net zero CO2 emissions by 2050, as well as issuers that may not yet have set such targets but that 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 Bloomberg Barclays Euro Aggregate Corporates 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		-1.85%	-1.80%
Correlation			0.956

	Fund
Average coupon	2.04%
Average rating	BBB+
Modified duration	5.19
Yield to worst	1.45%
Yield to maturity	1.52%
Number of positions	77
Number of issuers	67
Option adjusted spread (OAS)	179

CREDIT RATINGS (IN %)**MATURITIES (IN %)****SECTORS (IN %)****CORPORATE SECTORS (IN %)****REGIONS (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:

- **Credit risk:** A significant level of investment in debt securities or risky securities implies that the risk of, or actual, default may have a material impact on performance. The likelihood of this depends on the credit-worthiness of the issuers.
- **Liquidity risk:** Where a significant level of investment is made in financial instruments that may under certain circumstances have a relatively low level of liquidity, there is a

material risk that the fund will not be able to transact at advantageous times or prices. This could reduce the fund's returns.

- **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.

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

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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. © 2021 Lombard Odier Investment Managers – all rights reserved.