

# LO Funds – Swiss Franc Credit Bond (Foreign) N

## Fact Sheet

High Conviction • Fixed Income

31 July 2018

### FUND FACTS

Domicile/Legal structure	Luxembourg/SICAV
Legal Status	UCITS
Fund inception date	25 January 2002
Currency of Fund	CHF
Currency of share class	CHF
Fund manager	Y. Zufferey, D. Perez (CFA), M. Thöny, M. Van Heems (CFA)
Net assets (all classes)	CHF 349.55 million
Number of positions	222
Liquidity (sub./red.)	Daily, 15:00
Min. investment	CHF 1 million
Management fee	0.35%
Distribution fee	0.00%
FROC	0.17%
TER max (31 March 2018)	0.57%

### RISK AND REWARD PROFILE

1	2	3	4	5	6	7
Low						High

### CODES

	Class A
ISIN	LU0209983930
Bloomberg	LOMSFCC LX
NAV	CHF 14.05

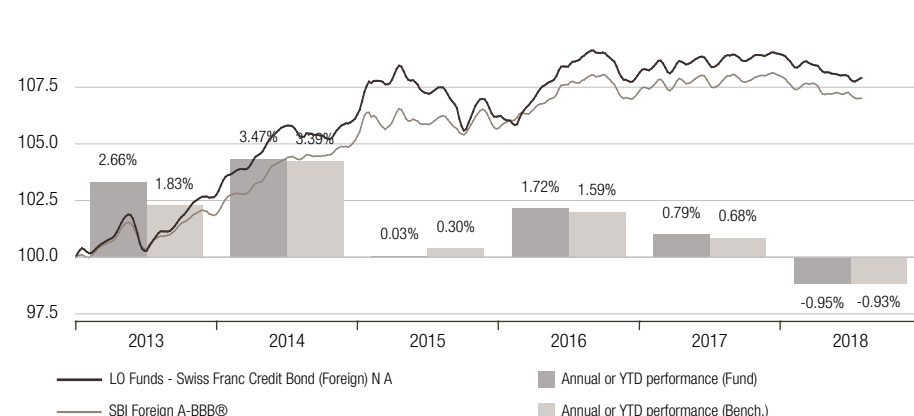
### RATINGS

Morningstar Rating	★★★★★
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### HIGHLIGHTS

LO Funds - Swiss Franc Credit Bond (Foreign) is an actively managed UCITS portfolio. Its long-only fixed income strategy has been in place since September 2009. It invests mainly in bonds issued by foreign public and private issuers, denominated in Swiss francs. It seeks to outperform the SBI Foreign A-BBB® index (registered trademark of SIX Swiss Exchange AG) over the long-term. The investment approach focuses on several sources of performance including the level of credit risk, the sectorial and geographical allocation as well as the issuers and issues selection. The duration is maintained in line with the benchmark. The selection process is backed by robust internal research and combines top-down allocation decisions, complemented by a bottom-up bond selection. Risk management is performed by fund managers, alongside independent teams who manage investment risks and monitor operational risks.

### NET PERFORMANCE AND ANNUAL PERFORMANCE IN CHF Dec 31, 2012 - Jul 31, 2018



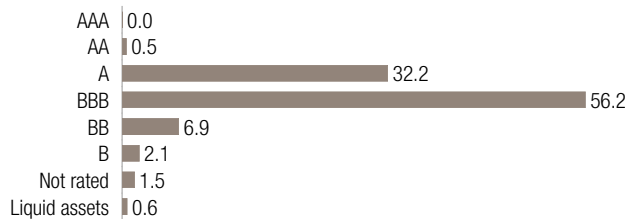
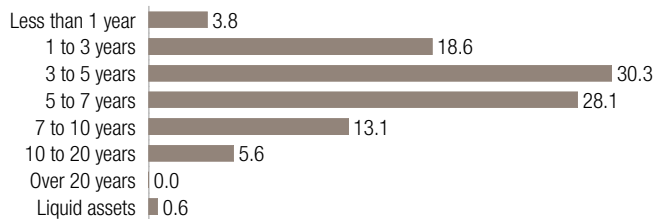
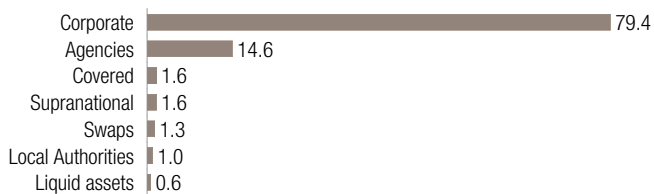
Value of investments is variable and can go down as well as up.

### NET PERFORMANCE IN CHF

	Cumulative		Annualized	
	Fund	Bench.	Fund	Bench.
YTD	-0.95%	-0.93%	-	-
1 month	0.05%	-0.20%	-	-
3 months	-0.24%	-0.17%	-	-
1 year	-0.58%	-0.50%	-	-
3 years	0.43%	0.83%	0.14%	0.27%
5 years	6.79%	6.06%	1.32%	1.18%
Total return (since 25.01.2002)	40.48%	56.71%	2.07%	2.75%

### STATISTICS 31.07.2013 - 31.07.2018

	Fund	Bench.	Fund
Annualised volatility	1.65%	1.29%	1.93%
Sharpe ratio	1.21	1.44	5.03
Max. drawdown	-2.65%	-1.08%	BBB
Correlation		0.869	4.27
Tracking error		0.83%	0.86%
Average coupon			222
Average maturity			100.00%
Average rating			
Modified duration			
Yield to maturity			
Number of positions			
Non Government Bonds			

**CREDIT RATINGS (IN %)****MATURITIES (IN %)****PORTFOLIO BREAKDOWN (IN %)****CORPORATE SECTORS (IN %)****MONTHLY RETURNS**

IN %	2013		2014		2015		2016		2017		2018	
	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.
January	0.1	-0.1	1.0	0.9	1.2	0.7	-0.1	0.5	0.2	0.1	-0.3	-0.4
February	0.5	0.6	0.2	0.0	0.3	0.1	0.1	0.4	0.6	0.6	0.0	0.1
March	0.3	0.2	0.1	0.1	-0.1	-0.1	0.6	-0.0	-0.6	-0.5	-0.2	0.0
April	0.7	0.6	0.6	0.4	0.3	0.3	0.6	0.2	0.2	0.2	-0.3	-0.4
May	0.1	-0.0	0.7	0.7	-0.2	0.1	0.3	0.3	0.3	0.3	0.0	0.3
June	-1.5	-1.1	0.4	0.3	-0.7	-0.4	0.5	0.6	-0.4	-0.4	-0.3	-0.2
July	0.9	0.7	-0.3	-0.1	0.2	0.3	0.3	0.1	0.1	0.0	0.0	-0.2
August	0.2	0.2	0.1	0.3	-0.5	-0.3	0.4	0.3	0.4	0.5		
September	0.5	0.4	-0.2	-0.2	-1.5	-0.5	-0.1	0.1	-0.3	-0.3		
October	0.7	0.4	0.1	0.3	1.2	0.7	-0.5	-0.6	0.4	0.3		
November	0.3	0.3	0.5	0.3	0.5	0.5	-0.6	-0.4	-0.2	-0.1		
December	-0.1	-0.3	0.3	0.3	-0.7	-0.9	0.1	0.1	0.1	0.1		
<b>Year</b>	<b>2.7</b>	<b>1.8</b>	<b>3.5</b>	<b>3.4</b>	<b>0.0</b>	<b>0.3</b>	<b>1.7</b>	<b>1.6</b>	<b>0.8</b>	<b>0.7</b>	<b>-1.0</b>	<b>-0.9</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:

- **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

## 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

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

- **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.

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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