

# LO Funds – Short-Term Money Market (USD) M

## Fact Sheet (marketing document)

Cash Strategies • Fixed Income

31 January 2021

### FUND FACTS

|                             |                         |
|-----------------------------|-------------------------|
| Domicile/Legal structure    | Luxembourg/SICAV        |
| Legal Status                | UCITS                   |
| Fund inception date         | 14 April 2008           |
| Currency of Fund            | USD                     |
| Currency of share class     | USD                     |
| Fund manager                | D. Callahan, F. Helly   |
| Net assets (all classes)    | USD 1.10 bn             |
| Liquidity (sub./red.)       | Daily, 14:00            |
| Min. investment             | EUR 3'000 or equivalent |
| Management fee              | 0.242%                  |
| Distribution fee            | 0.00%                   |
| FROC                        | 0.15%                   |
| TER max (30 September 2020) | 0.39%                   |

### RISK AND REWARD PROFILE

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

### CODES

|           | Class A      | Class D      |
|-----------|--------------|--------------|
| ISIN      | LU0866429300 | LU0866429482 |
| Bloomberg | LOSMUMA LX   | LOSMUMD LX   |
| NAV       | USD 11.04    | USD 10.03    |

### FISCAL INFORMATION

|                                 |          |
|---------------------------------|----------|
| Last dividend paid (30.11.2020) | USD 0.10 |
|---------------------------------|----------|

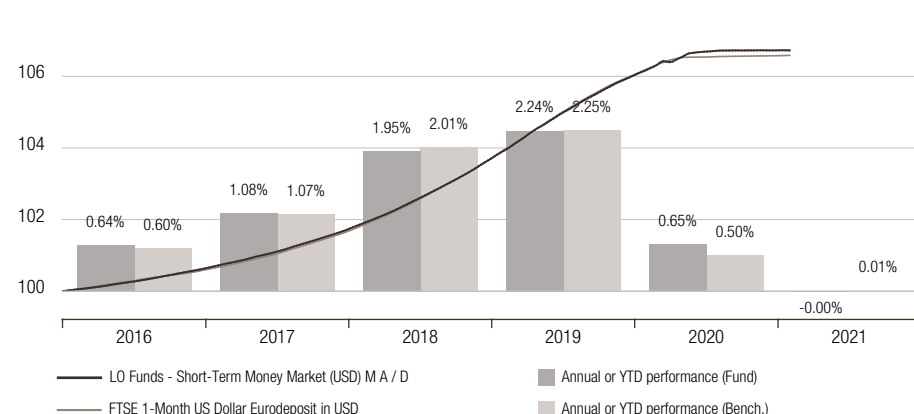
### RATINGS

|                      |  |
|----------------------|--|
| Morningstar Category | EAA Fund USD Money Market - Short Term |
|----------------------|--|

### HIGHLIGHTS

LO Funds - Short-Term Money Market (USD) is a conservatively managed cash management strategy launched in April 2008. The strategy invests in high quality (at least one top short-term rating) short-term money market instruments such as commercial paper, certificates of deposit, time deposits, fixed rate bonds and floating-rate notes within strict diversification rules and maturity limits. In addition, weighted average maturity (WAM) and weighted average life (WAL) are respectively limited to 60 days and 120 days. It aims to offer investors capital preservation, high liquidity, and returns in line with the FTSE 1 Month US Dollar Eurodeposit in USD terms. Risk management is based on a combination of guideline compliance monitoring and liquidity stress test scenarios. The approach follows the conservative European Securities and Markets Authority (ESMA) guidelines for Short-Term Money Market funds.

### NET PERFORMANCE AND ANNUAL PERFORMANCE IN USD Dec 31, 2015 - Jan 31, 2021



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

### NET PERFORMANCE IN USD

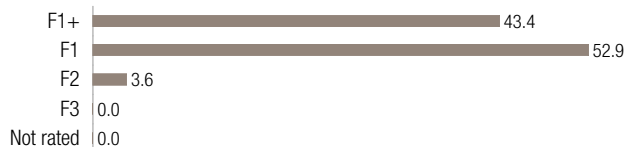
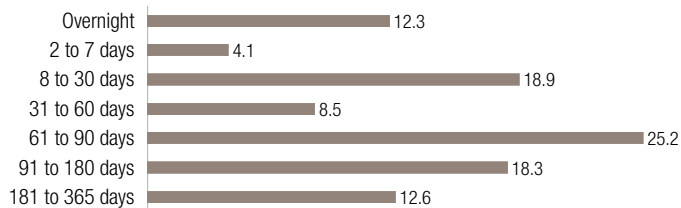
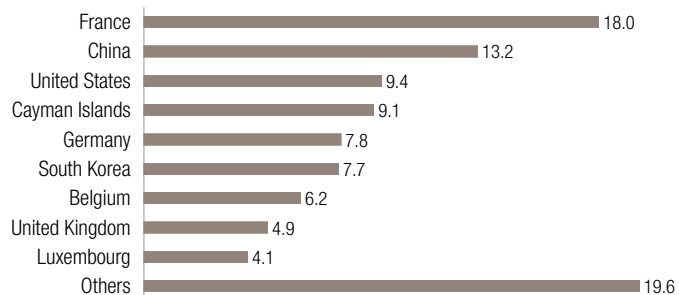
|                                 | Cumulative |        |
|---------------------------------|------------|--------|
|                                 | Fund       | Bench. |
| YTD                             | -0.00%     | 0.01%  |
| 1 month                         | -0.00%     | 0.01%  |
| 3 months                        | 0.00%      | 0.02%  |
| 1 year                          | 0.51%      | 0.36%  |
| 3 years                         | 4.76%      | 4.68%  |
| 5 years                         | 6.68%      | 6.53%  |
| Total return (since 14.04.2008) | 10.35%     | 10.38% |

### STATISTICS

|                       | Fund   | Bench. |
|-----------------------|--------|--------|
| Annualised volatility | 0.22%  | 0.23%  |
| Sharpe ratio          | -0.63  | -0.72  |
| Max. drawdown         | -0.00% | 0.00%  |
| Correlation           |        | 0.936  |
| Tracking error        |        | 0.08%  |

|  | Annualized |        |
|--|------------|--------|
|  | Fund       | Bench. |
|  | -          | -      |
|  | -          | -      |
|  | -          | -      |
|  | -          | -      |
|  | 1.56%      | 1.53%  |
|  | 1.30%      | 1.27%  |
|  | 0.77%      | 0.77%  |

|                       | Fund   |
|-----------------------|--------|
| Number of positions   | 57     |
| Non Government Bonds  | 59.40% |
| WAM (days)            | 55     |
| WAL (days)            | 80     |
| 30-Day Net Ann. Yield | 0.00%  |
| Average Rating Fitch  | F1     |

**CREDIT RATINGS FITCH (IN %)****MATURITIES (IN %)****COUNTRIES (IN %)****CURRENCIES (IN %)****MONTHLY RETURNS**

| IN %        | 2016        |             | 2017        |             | 2018        |             | 2019        |             | 2020        |             | 2021         |             |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|
|             | Fund        | Bench.      | Fund        | Bench.      | Fund        | Bench.      | Fund        | Bench.      | Fund        | Bench.      | Fund         | Bench.      |
| January     | 0.04        | 0.05        | 0.08        | 0.07        | 0.14        | 0.13        | 0.20        | 0.22        | 0.13        | 0.15        | -0.00        | 0.01        |
| February    | 0.04        | 0.04        | 0.07        | 0.06        | 0.11        | 0.13        | 0.19        | 0.19        | 0.13        | 0.12        |              |             |
| March       | 0.04        | 0.06        | 0.07        | 0.07        | 0.13        | 0.14        | 0.20        | 0.21        | 0.05        | 0.12        |              |             |
| April       | 0.05        | 0.05        | 0.08        | 0.08        | 0.15        | 0.14        | 0.24        | 0.20        | 0.15        | 0.06        |              |             |
| May         | 0.06        | 0.05        | 0.08        | 0.08        | 0.16        | 0.16        | 0.18        | 0.21        | 0.12        | 0.01        |              |             |
| June        | 0.05        | 0.04        | 0.08        | 0.08        | 0.15        | 0.16        | 0.19        | 0.20        | 0.03        | 0.00        |              |             |
| July        | 0.05        | 0.06        | 0.10        | 0.10        | 0.17        | 0.18        | 0.19        | 0.20        | 0.03        | 0.01        |              |             |
| August      | 0.07        | 0.04        | 0.11        | 0.10        | 0.17        | 0.18        | 0.18        | 0.18        | 0.00        | 0.00        |              |             |
| September   | 0.06        | 0.04        | 0.09        | 0.10        | 0.15        | 0.17        | 0.17        | 0.17        | 0.00        | 0.00        |              |             |
| October     | 0.07        | 0.05        | 0.11        | 0.10        | 0.19        | 0.19        | 0.18        | 0.17        | 0.00        | 0.01        |              |             |
| November    | 0.06        | 0.05        | 0.10        | 0.10        | 0.20        | 0.19        | 0.14        | 0.14        | 0.00        | 0.00        |              |             |
| December    | 0.06        | 0.07        | 0.11        | 0.11        | 0.20        | 0.21        | 0.16        | 0.13        | 0.00        | 0.01        |              |             |
| <b>Year</b> | <b>0.64</b> | <b>0.60</b> | <b>1.08</b> | <b>1.07</b> | <b>1.95</b> | <b>2.01</b> | <b>2.24</b> | <b>2.25</b> | <b>0.65</b> | <b>0.50</b> | <b>-0.00</b> | <b>0.01</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.
- Specific risk : the Sub-Fund is not a guaranteed investment and is different from investments in deposits as the value of Shares can fluctuate and the return generated from them may go up or down; the investors may not recover the amount initially invested; the SICAV does not rely on any external support for guaranteeing the liquidity of the Sub-

## 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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**Spain.** Supervisory Authority: Comisión Nacional del Mercado de Valores (CNMV). Representative: Allfunds Bank S.A. C/Nuria, 57 Madrid.

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Fund or stabilizing the Net Asset Value and the risk of loss of the principal is borne by the investor.

- 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 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").

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 expenses for the relevant fund/share class over the reference period. This document does not contain personalized recommendations or advice and is not intended to substitute any professional advice on investment in financial products. Before making an investment in the Fund, an investor should read the entire Offering Documents, and in particular the risk factors pertaining to an investment in the Fund, consider carefully the suitability of such investment to his/her particular circumstances and, where necessary, obtain independent professional advice in respect of risks, as well as any legal, regulatory, credit, tax, and accounting consequences. This document is the property of LOIM and is addressed to its recipient exclusively for their personal use. It may not be reproduced (in whole or in part), transmitted, modified, or used for any other purpose without the prior written permission of LOIM. It is not intended for distribution, publication, or use in any jurisdiction where such distribution, publication, or use would be unlawful. This document contains the opinions of LOIM, as at the date of issue. The information and analysis contained herein are based on sources believed to be reliable. However, LOIM does not guarantee the timeliness, accuracy, or completeness of the information contained in this document, nor does it accept any liability for any loss or damage resulting from its use. All information and opinions as well as the prices indicated may change without notice. The contents of this document are intended for persons who are sophisticated investment professionals and who are either authorised or regulated to operate in the financial markets or persons who have been vetted by LOIM as having the expertise, experience and knowledge of the investment matters set out in this document and in respect of whom LOIM has received an assurance that they are capable of making their own investment decisions and understanding the risks involved in making investments of the type included in this document or other persons that LOIM has expressly confirmed as being appropriate recipients of this document. If you are not a person falling within the above categories you are kindly asked to either return this document to LOIM or to destroy it and are expressly warned that you must not rely upon its contents or have regard to any of the matters set out in this document in relation to investment matters and must not transmit this document to any other person. Neither this document nor any copy thereof may be sent, taken into, or distributed in the United States of America, any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a United States Person. For this purpose, the term "United States Person" shall mean any citizen, national or resident of the United States of America, partnership organized or existing in any state,

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

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