

PrivilEdge – H2O High Conviction Bonds (EUR) P

Fact Sheet (marketing document)

High Conviction • Fixed Income

31 January 2021

FUND FACTS

Domicile/Legal structure	Luxembourg/SICAV
Legal Status	UCITS
Fund inception date	30 November 2016
Currency of Fund	EUR
Currency of share class	EUR
Fund manager	H2O (Monaco) S.A.M.
Net assets (all classes)	EUR 426.17 million
Liquidity (sub./red.)	Daily, 12:00
Min. investment	EUR 3'000
Management fee	0.80%
Distribution fee	0.45%
FROC	0.35%
Performance fee	25% in excess of bmk +0.85%
TER max (30 September 2020)	1.60%

RISK AND REWARD PROFILE

1	2	3	4	5	6	7
Low						High

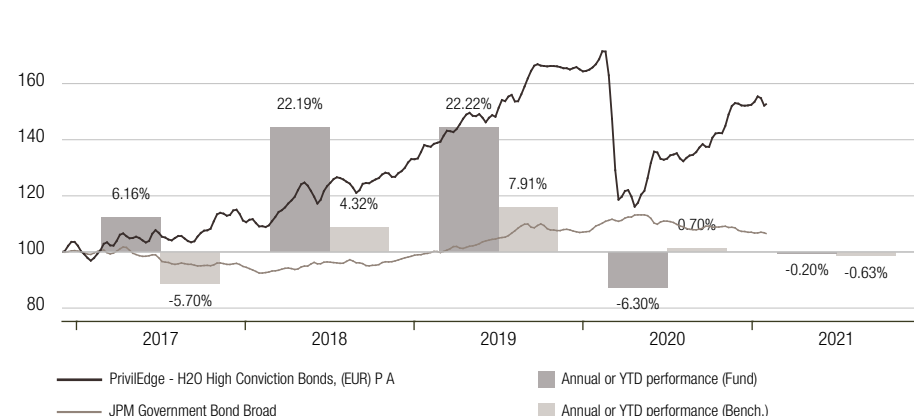
CODES

	Class A
ISIN	LU1525841489
Bloomberg	PEHCPAE LX
NAV	EUR 15.27

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 PERFORMANCE AND ANNUAL PERFORMANCE IN EUR Dec 1, 2016 - Jan 31, 2021



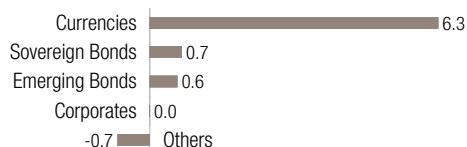
NET PERFORMANCE IN EUR	Cumulative	
	Fund	Bench.
YTD	-0.20%	-0.63%
1 month	-0.20%	-0.63%
3 months	7.41%	-2.82%
1 year	-7.88%	-2.81%
3 years	41.37%	15.31%
Total return (since 01.12.2016)	52.65%	6.58%

	Annualized	
	Fund	Bench.
	-	-
	-	-
	-	-
	-	-
	12.18%	4.84%
	10.65%	1.54%

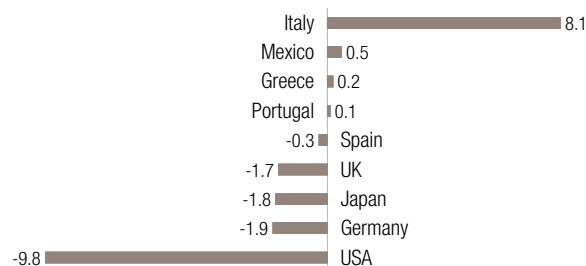
STATISTICS 01.12.2016 - 31.01.2021	Fund	
	Fund	Bench.
Annualised volatility	16.44%	5.05%
Sharpe ratio	0.67	0.39
Max. drawdown	-28.34%	-8.54%
Correlation		0.078
Tracking error		16.82%

	Fund
Average rating	BBB
Modified duration	0.70
Yield to maturity	6.90%
Number of positions	61

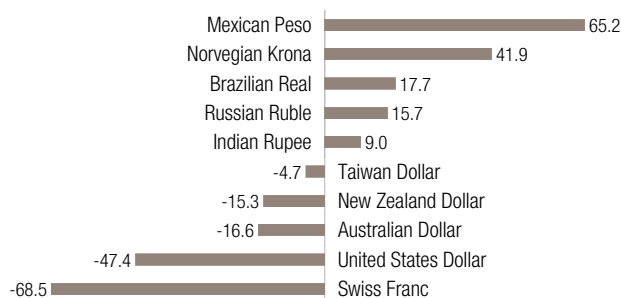
PORTFOLIO YIELD (IN %)



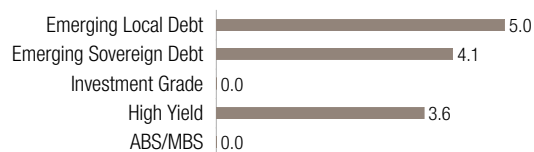
TOP & BOTTOM 5 SOVEREIGN BONDS ALLOCATION (DURATION)



TOP & BOTTOM 5 CURRENCY POSITIONS (IN % OF NET ASSETS)



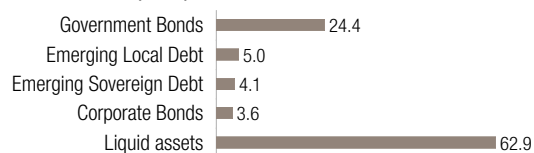
CREDIT POSITIONS (IN %)



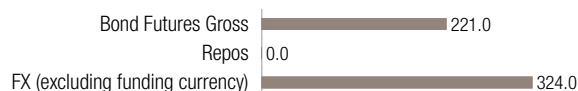
GOVERNMENT BONDS ALLOCATION BY MATURITY (DURATION)



BALANCE SHEET STRUCTURE (IN %)



OFF-BALANCE SHEET STRUCTURE (IN %)



MONTHLY RETURNS

IN %	2016		2017		2018		2019		2020		2021	
	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.	Fund	Bench.
January			-7.4	-1.4	-1.2	-2.3	2.4	0.9	1.5	3.0	-0.2	-0.6
February			6.7	2.2	4.0	1.4	1.8	-0.1	-7.0	2.0		
March			3.4	-0.5	4.0	0.8	2.2	2.8	-20.8	-0.1		
April			-0.3	-0.6	5.7	-0.1	4.9	-0.4	-1.4	1.2		
May			-1.9	-1.6	-5.0	2.4	-1.4	2.3	10.0	-1.5		
June			2.0	-1.6	5.8	-0.3	-0.6	0.1	-0.7	-0.4		
July			-0.8	-1.6	1.1	-0.7	7.2	1.8	-0.0	-1.8		
August			0.1	0.3	-4.6	0.6	2.3	3.9	1.4	-1.7		
September			2.6	-0.6	4.0	-0.9	4.6	-0.3	2.2	1.9		
October			5.9	1.0	3.1	1.4	-1.6	-1.8	4.4	0.5		
November			0.0	-0.9	0.5	0.6	0.5	0.0	6.9	-1.2		
December	3.0	0.3	-3.5	-0.5	3.5	1.5	-1.7	-1.5	0.7	-1.0		
Year	3.0	0.3	6.2	-5.7	22.2	4.3	22.2	7.9	-6.3	0.7	-0.2	-0.6

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:

- 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

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 (SRRl) 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 SRRl 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 riskadjusted 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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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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Source of the figures: Unless otherwise stated, figures are prepared by LOIM.

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and any index returns.

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