

# LO Funds – High Yield 2024

## Syst. Multi Ccy Hdg, (USD) N

### Fact Sheet (marketing document)

Buy and Maintain • Fixed Income

31 January 2021

#### FUND FACTS

Domicile/Legal structure	Luxembourg/SICAV
Legal Status	UCITS
Fund inception date	17 February 2020
Currency of Fund	EUR
Currency of share class	USD Hedged
Fund manager	Y. Zufferey, J. Collet, D. Perez (CFA)
Net assets (all classes)	USD 125.38 million
Liquidity (sub./red.)	Daily, 15:00
Min. investment	CHF 1'000'000 or eq
Management fee	0.40%
Distribution fee	0.00%
FROC	0.22%
TER max (30 September 2020)	0.62%
Dealing Charge (sub./red.)	0.00%/2%

#### RISK AND REWARD PROFILE

1	2	3	4	5	6	7
Low						High

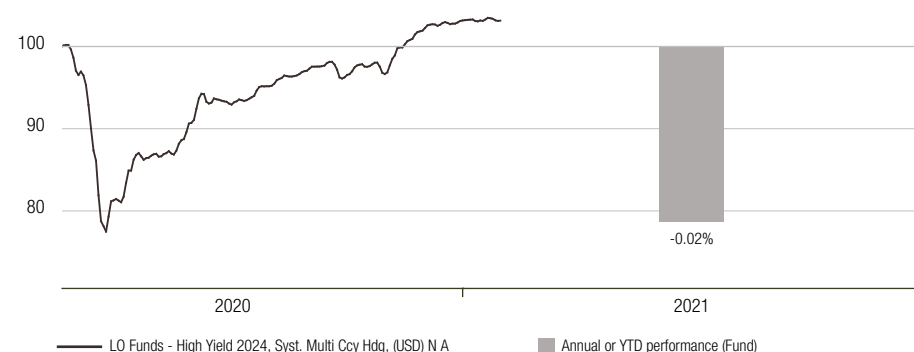
#### CODES

	Class A
ISIN	LU2084086151
Bloomberg	LH24NAU LX
NAV	USD 10.31

#### HIGHLIGHTS

LO Funds – High Yield 2024 primary objective is to build a buy and maintain portfolio set up for a period ending in late 2024. It mainly invests in high yield corporate bonds denominated in EUR, USD, GBP and/or CHF. The Investment Manager aims to identify opportunities in the market through a judgemental approach utilizing fundamental analysis of economies, markets, sectors and issuers. The selection of securities is based on a three-step process (sectors, issuers, and issues), combining top-down (credit market evaluation) and bottom-up (specific issuer risk) approaches. The portfolio initially built at launch will remain quite the same until the maturity of the sub-fund in 2024 (buy-and-maintain strategy). Financial derivative instruments are used for the purpose of the investment strategy as well as systematic currency-hedging (non-EUR exposure hedged back to EUR at the portfolio level).

#### NET PERFORMANCE AND ANNUAL PERFORMANCE IN USD Feb 17, 2020 - Jan 31, 2021

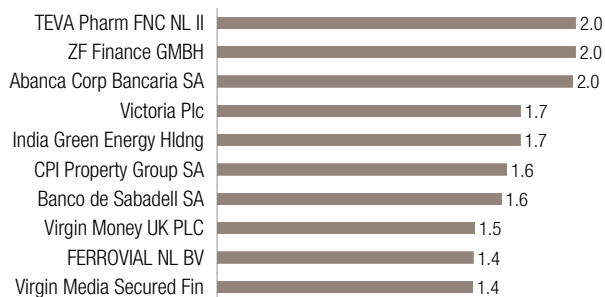
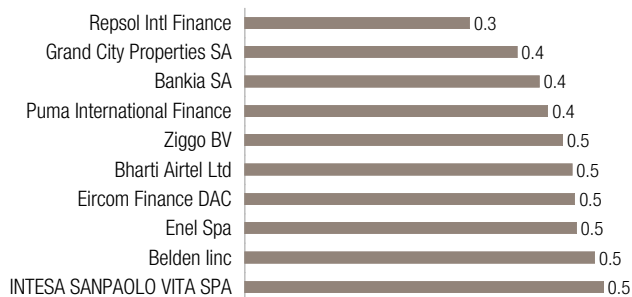
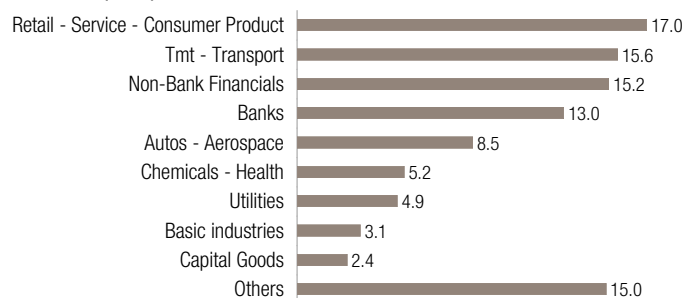
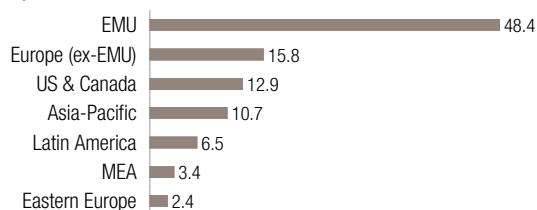
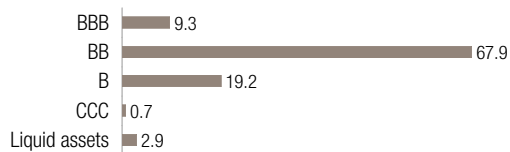


#### NET PERFORMANCE IN USD

	Cumulative Fund
YTD	-0.02%
1 month	-0.02%
3 months	6.72%
Total return (since 17.02.2020)	3.15%

#### STATISTICS 17.02.2020 - 31.01.2021

Max. drawdown	-18.17%	Average rating	BB
		Modified duration	2.41
		Yield to worst (hedged)	4.58%
		Number of positions	119

**TOP 10 BONDS (% WEIGHT IN TOTAL PF)****BOTTOM 10 BONDS (% WEIGHT IN TOTAL PF)****SECTORS (IN %)****COUNTRIES (IN %)****CREDIT RATINGS (IN %)****MONTHLY RETURNS IN %**

	2020 Fund	2021 Fund
January		-0.0
February	-3.4	
March	-15.3	
April	6.3	
May	4.3	
June	2.2	
July	2.6	
August	2.0	
September	-0.7	
October	0.3	
November	5.4	
December	1.3	
<b>Year</b>	<b>3.2</b>	<b>-0.0</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 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.

- **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.

## 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").

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

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

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**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.

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