

LO Funds

Continental Europe Family Leaders

Newsletter

Regional Equities • Equities

30 September 2024

PERFORMANCE COMMENTS

LO Funds-Continental Europe Family Leaders (EUR NA share) returned +1.2% in September versus +0.2% for its benchmark, the MSCI Europe ex-UK Small Cap ND Index, bringing its YTD performance to -0.3% compared to +7.3% for the benchmark. The Fund's EUR PA share returned +1.1% in September and -1.0% YTD, versus +0.2% in September and +7.3% YTD for the benchmark.

In September, European financial markets were down 0.4% (MSCI Europe) and the eurozone markets were up 1.0%. Despite the Federal Reserve's pivot and dovish 50 bps rate cut, the market was concerned about increasing tensions in the Middle East and China's economy. The MSCI Europe Value ended up 0.5%, while the MSCI Europe Growth was down 1.3% in September. Energy was the worst-performing sector, down 6.9% after Saudi Arabia and Libya hinted at additional oil supply to come. The best sector was Real Estate, benefiting from declining interest rates, up 4.7%. Toward the end of the month, the announcement by the People's Bank of China (PBOC) of major monetary and fiscal stimulus triggered a rally in the country's equity market, which was not mimicked by European names exposed to China.

STOCK SELECTION – CONTRIBUTORS

The top contributors to the Fund's performance in September were La Française de l'Energie, Sword Group and Virbac.

La Française de l'Energie (Oil and Gas, France, 2.3% weight, +16.5% return, +31 bps contribution) is a multi-energy producer, which offers low carbon footprint solutions. It produces gas, electricity and heat from local resources or solar-related energies. The share price reacted to implementation by LFDE of its share buyback programme.

Sword Group (IT Services, France, 2.3% weight, +13.6% return, +27 bps contribution) is an IT software and services company primarily working with public institutions and international organisations. Sword's management team presented its strategic plan to 2029 and confirmed

the company's commitment to organic growth of 15% per year over the next five years.

Virbac (Specialty Pharma, France, 3.0% weight, +10.22% return, +25 bps contribution) is a veterinarian pharmaceutical group. The company reported strong first half revenues and profitability and reiterated its full-year guidance for 2024, which had been revised upward in July 2024.

STOCK SELECTION – DETRACTORS

The positions that detracted most from the Fund's performance in September were Puig, Danieli and ID Logistics.

Puig Brands (Personal Care, Spain, 2.2% weight, -18.7% return, -48 bps contribution) is a fragrances, skincare and makeup group with 67% of sales in fragrances, mainly from owned brands. The company was listed in May 2024 and reported its first set of results in September. While the performances in fragrance and skincare were strong in the first half of the year, the makeup division slowed due to a soft sell-in, which worried investors as this division is one of the main growth drivers for Puig.

Danieli (Industrials, Italy, 2.7% weight, -14.8% return, -44 bps contribution) designs, builds and sells plants for the iron and steel industry and produces and sells special steel. Its share price fell on the performance of its steelmaking division, which is suffering from high energy prices in Italy compared to the rest of Europe.

ID Logistics (Logistics Services, France, 4.2% weight, -9.3% return, -43 bps contribution) is a provider of logistics solutions such as warehousing, storage and transport services. Its share price declined after an unplanned capital increase of EUR135m was realised to provide financial agility to the group, so it can be active in M&A.

PORTFOLIO ACTIVITY

In September, we sold Pierer Mobility.

INVESTMENT TEAM

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Please read important information at the end of this document. Past performance is not a guarantee of future results.

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Newsletter · LO Funds - Continental Europe Family Leaders · Data as at 30 September 2024

PERFORMANCE

30.09.2024	INCEPTION	AUM	MONTH-TO-DATE	YEAR-TO-DATE	INCEPTION-TO-DATE	2023	2022	2021	2020	2019
LO Funds – Continental Europe Family Leaders PA [1]	15 May 2017	EUR 16 mn	1.09%	-1.03%	13.37%	-1.74%	-29.87%	32.88%	17.26%	29.43%
LO Funds – Continental Europe Family Leaders NA [2]			1.17%	-0.32%	20.44%	-0.80%	-29.18%	33.58%	17.72%	30.66%
Benchmark [3]			0.15%	7.30%	51.10%	12.85%	-20.60%	24.55%	11.74%	28.47%

Past performance is not a guarantee of future results. Performance is presented net of fees.

[1] Dividend accumulated private client share class, net performance in EUR.

[2] Dividend accumulated institutional share class, net performance in EUR.

[3] MSCI Europe ex-UK Small Cap ND

RISK AND REWARD PROFILE



The following risks may be materially relevant but may not always be adequately captured by the synthetic risk indicator and may cause additional loss:

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.

Operational risk and risks related to asset safekeeping: In specific circumstances, there may be a material risk of loss resulting from human error, inadequate or failed internal systems, processes or controls, or from external events.

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.

Before taking any investment decision, please read the latest version of the

prospectus, the articles of incorporation, the Key Information Documents (KIDs) and the latest annual report and semi-annual report. Please pay attention to the Appendix B "Risk Factors Annex" of the prospectus.

Incorporation of extra-financial risks into the investment decision process may result in underweighting of profitable investments from the sub-fund's investment universe and may also lead the management of the sub-fund to underweight investments that will continue to perform. Sustainability risks may lead to a significant deterioration in the financial profile, profitability or reputation of an underlying investment and may therefore have a significant impact on its market price or liquidity.

The Fund has been classified as a financial product subject to Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector (the "SFDR"). The Fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

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Investments are subject to a variety of risks: The investments mentioned in this document may carry risks that are difficult to quantify and integrate into an investment assessment. In general, products such as equities, bonds, forex, or money market instruments bear risks, which are higher in the case of derivative, structured, and private equity products; these are aimed solely at investors who are able to understand their nature and characteristics and to bear their associated risks. On request, LOIM will be pleased to provide investors with more detailed information concerning risks associated with given instruments. The liquidity of an investment is subject to supply and demand. Some products may not have a well-established secondary market or in extreme market conditions may be difficult to value, resulting in price volatility and making it difficult to obtain a price to dispose of the asset.

Where the Fund is denominated in a currency other than an investor's base currency, changes in the rate of exchange may 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 personalised recommendations or advice and is not intended to substitute any professional advice on investment in financial products. Neither this marketing communication nor this document nor any part of it shall form the basis of, or be relied on in connection with, any contract to purchase or subscription to the Fund. Not all costs are listed in this document and the investor is recommended to refer to the Offering documents for more information.

The articles of association, the prospectus, the Key Information Document ("PRIIPS/KIDs"), and the subscription form are the only official Offering Documents of the Fund's shares (the "Offering Documents"). No party is authorised to provide information or make assurances that are not contained in the Offering Documents.

Access to documents in country of registrations:

The PRIIPS/KIDs are available in one of the official languages of your country and a Prospectus is available in English, French, German and

Italian . The PRIIPS/KIDs and the Prospectus together with the Articles of Incorporation and the last annual and semi-annual financial report are available on www.loim.com or can be requested free of charge at the registered office of the Fund or of the Management Company, from the distributors of the Fund or from the local representatives as mentioned below. These Offering Documents are provided for information and illustration and is not a contractually binding document or an information required by any legislative provisions and is not sufficient to take an investment decision.

Please refer to the prospectus and the PRIIPS/KIDs before making any final investment decisions. 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**.

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This Fund is classified as Article 8 under the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on Sustainability-Related Disclosures in the Financial Services Sector ("SFDR"). A Summary of the sustainable website product disclosure is available in English in the "Sustainability-related Disclosure" section of the website fund page on www.loim.com. Methodological limits: Assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

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Belgium. Financial services Provider: CACEIS Belgium S.A., Avenue du Port 86 C, b 320, 1000 Brussels, Supervisory Authority: Autorité des services et marchés financiers (FSMA).

France. Representative: CACEIS Bank, Rue Gabriel Péri 89-91, 92120 Montrouge, Supervisory Authority: Autorité des marchés financiers (AMF).

Germany. Representative: DekaBank Deutsche Girozentrale, Mainzer Landstraße 16, D-60325 Frankfurt am Main, Supervisory Authority: Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

Finland. Finanssivalvonta (Fiva) - Financial Supervisory Authority (FIN-FSA), Snellmaninkatu 6, P.O. Box 103, FI – 00101 Helsinki, Finland; Website: <http://www.finanssivalvonta.fi>.

Italy. Paying Agents: Société Générale Securities Services S.p.A., Via Benigno Crespi, 19/A-MAC 2, 20159 Milano, State Street Bank International GmbH – Succursale Italia, Via Ferrante Aporti, 10, 20125 Milano, Banca Sella Holding S.p.A., Piazza Gaudenzio Sella, 1, 13900 Biella, All funds Bank, S.A.U., Milan Branch, Via Bocchetto 6, 20123 Milano, CACEIS Bank S.A., Italy Branch, Piazza Cavour 2, 20121 – Milano, Supervisory Authority: Banca d'Italia (BOI)/ConSob.

Liechtenstein. Representative, LGT Bank AG Herrengasse 12, 9490 Vaduz, Supervisory Authority: Finanzmarktaufsicht Liechtenstein ("FMA").

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

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