LOMBARD ODIER
INVESTMENT MANAGERS

LO Funds
Swiss Franc Credit Bond (Foreign)
Newsletter

Regional Fixed Income • Fixed Income

30 November 2024

PERFORMANCE

30.11.2024	INCEPTION	AUM	MONTH-TO-DATE	YEAR-TO-DATE	INCEPTION-TO-DATE	5 Year Ann. Return	10 Year Ann. Return
LO Funds - Swiss Franc Credit Bond (Foreign) PA	01.09.2009	CHF 188 mn	0.75%	5.94%	21.16%	-0.30%	0.15%
LO Funds - Swiss Franc Credit Bond (Foreign) NA			0.79%	6.36%	28.71%	0.13%	0.60%
SBI Foreign A-BBB®			0.85%	4.83%	26.14%	-0.13%	0.44%

Past performance is not a guarantee of future results. Performance is presented net of fees. AUM as of the date of the table.

RISK AND REWARD PROFILE

1	2	**3**	4	5	6	7

Lower Risk — Higher Risk

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.

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.

MARKET REVIEW

After a turbulent October, and through a month filled with political headlines, fixed income posted robust performance at an aggregate level in November. There was however marked differentiation between EUR and USD markets, with EUR markets outperforming in the government bond space but underperforming in credit as spreads moved wider toward month end. Sectoral trends were also driven by the US election result, with industrials and autos leading the tightening in the US at the expense of EUR counterparts, with EUR autos continuing to suffer after experiencing some reprieve October.The US election headlined a busy macro month, with Donald Trump and the Republican party securing a "red sweep" across the presidency, house and senate. While Trump had the edge in betting markets heading into the vote, the scale of the Republican wave was quite unexpected. In the lead up to

PRODUCT SPECIALISTS

ZÜRICH Marco Di Fante +41 44 214 14 71

voting day, markets had moved to price towards this result with higher yields and rallying risk assets domestically, on the assumption of a mix of expansionary fiscal policy with disregard of fiscal deficits and increased trade tariffs. However, post-election, the selection of cabinet nominees who have voiced support for more fiscally prudent policies, particularly Scott Bessent Treasury Secretary, has been taken positively by markets, and saw rates move lower alongside continued strength in US risk assets. However, the news flow on trade tariffs remained volatile post-election in a reminder of the headline risk that came with Trump's first term. The use of trade tariff threats as a negotiation tactic will very much continue to be part of Trump presidency, and rhetoric since his victory has highlighted Mexico, Canada and China to be at threat, with concerns also spilling over into European risk assets. European assets additionally had its own bout of political headlines as German chancellor Scholz called a snap election for February. Whilst the ultimate outcome might bring some much-needed coherency to Germany's political front, it freezes any chance of policy advancement at a time when the economy continues to stumble as their fiscal business model is suffering. France also faced a fresh bout of political headwinds towards month end, with a rejection of the proposed budget possibly resulting in presidential elections next year.Politics aside, macroeconomic developments also supported duration following the pre-election sell off, with the Fed delivering another 25bp cut after a soft labour market report (albeit weather and strike affected). Growth data also showed signs of weakening in the US after a post summer rebound, whilst inflation continued a short-term uptick but maintained a longer-term downtrend. If anything, the months events should act as a reminder that the future path of inflation will be driven by both fiscal developments as well as the longevity of underlying growth momentum. Eurozone economic data continued to come in weak but has perhaps showed signs of bottoming in its weakest areas.Geopolitical risk spiked higher in the Ukraine-Russia conflict, with Ukraine's use of US-supplied longer-range missiles to target Russian territory after receiving clearance from Washington. The use of western supplied missiles to hit Russian occupied territory has been touted as a red line by Putin, and as a response the Russian president signed a decree lowering the threshold to trigger use of the country's nuclear arsenal. Whilst this appears to be a deterrent rather than an imminent escalation threat, the events saw a spike in volatility, so headline risk from the conflict remains.In Switzerland, speculation of a 50bp December cut by the SNB increased with somewhat softer than expected inflation and activity data over the course of the month. The wedge between manufacturing and services remains clearly visible and with an external environment in Europe seeing risks mounting, the Swiss economy has some areas of exposure. As a result, both options, a 25bp or 50bp cut are valid in our opinion.

With rates actually lower now than pre-election despite the perceived 'worst-case scenario' for rates of a 'red sweep' materializing, we continue to favor duration heavy assets. But without seeing an imminent risk to spreads, despite being at tight levels, we prefer to access duration via high quality credit to collect extra carry to compensate for flat/inverted rate curves. We maintain a neutral allocation to high yield but emphasise a continued focus on selecting quality, particularly in Europe which faces ongoing growth and refinancing risks.

PORTFOLIO ACTIVITY

In the CHF primary market, we did not participate in any new issue for alpha purposes. In the CHF secondary market, we bought Heathrow (HTHROW), Embotelladora Andina (ANDINA) and sold RCI Banque (RENAUL).In the foreign currency primary market, we did not participate in any new issues.In the foreign currency secondary market, we bought Fosun (FOSUNI), QVC (QVCN) and CPI Property (CPIPGR).In terms of sector allocation, we are mainly overweight in Real Estate and Financials while mainly underweight in Consumer Discretionary CHF and Communications & Technology.

PERFORMANCE COMMENTS

In November, Confederation bond yields continued to fall significantly across all maturities in a bull steepener.During the same period, CHF credit spreads tightened across most ratings (-1 bp), with BBB spreads remaining flat.At the sector level, financials widened slightly (+2 bp), underperforming both utilities and industrials , which tightened by 1 bp.In this environment, the total return for both the LOF - Swiss Franc Credit Bond (Foreign) and its benchmark, the SBI® Foreign A-BBB, were positive.The positive contribution from Security selection was not sufficient to offset the negative impact from sector allocation and other factors.Year-to-date total return and excess return of the Fund are both strongly positive.

OUTLOOK

Interest rates are likely to stay volatile in light of political woes and uncertainty with regards to the economic trajectory, but the return of more negative correlation between rates and credit is smoothing returns for credit investors. Our constructive view on the segment remains intact especially as fundamentals are deteriorating only gently and compensated for by all-in yields. Within credit, we favour to stay in the upper part from a quality standpoint and as we expect interest rate curves to steepen as rate cuts materialize, the appeal of good quality credit should increase further from a relative standpoint.

Characteristics

30.11.2024	Portfolio	Index
Number of instruments	256	245
Number of issuers	139	106
Coupon (%)	2.00	1.46
Yield to Worst (years)	1.27	0.99
Maturity (years)	3.54	3.92
Option Adjusted Duration (years)	3.95	3.69
Option Adjusted Spread (bps)	128.95	83.87
Alternatives (%)	4.01%	0
Out of the investment universe (%)	7.15%	0
Credit rating	BBB	A
Active share (%)	19.91%	0

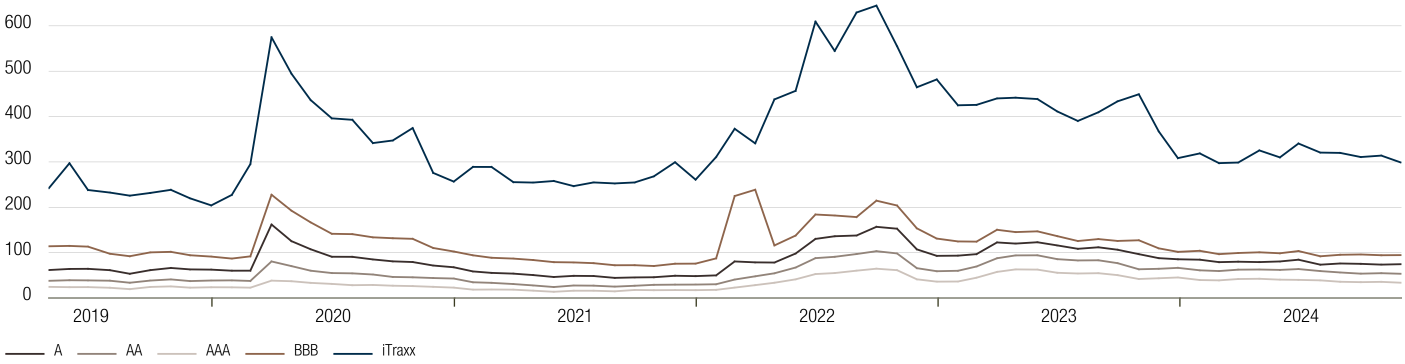
Market Statistics

		Credit Spreads (bps)				Credit Spreads (bps)					Interest rates (%)	Bid-Ask Spreads (%)		
		AAA	AA	A	BBB	Covered	Financials	Industrials	Agencies	Utilities	10yr Swiss Govi rate	AAA-BBB	AAA-AAA-BBB	
Start Period	2024-10-31	36	55	74	94	49	77	73	50	86	0.41	0.78	0.86	0.49
End Periode	2024-11-29	34	53	75	95	47	78	73	50	84	0.25	0.7	0.75	0.53
Delta		-2	-1	1	0	-2	2	-1	0	-2	-0.17	-0.08	-0.12	0.04

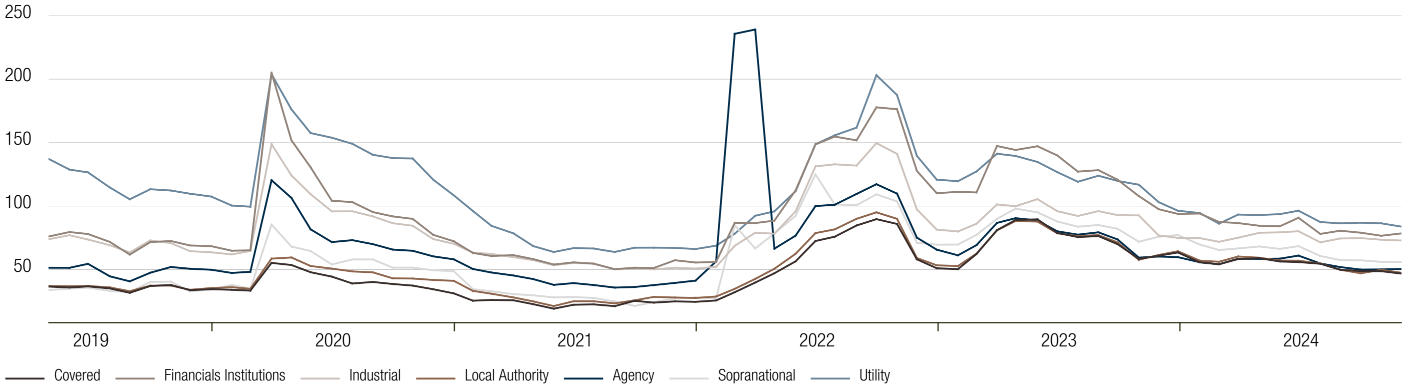
Swiss Government Bond Curve (%)

	30.11.2024	31.10.2024	31.12.2023
1 Year	0.2	0.41	1.16
2 Years	0.11	0.33	0.98
3 Years	0.09	0.31	0.86
4 Years	0.08	0.32	0.77
5 Years	0.09	0.33	0.72
6 Years	0.11	0.33	0.69
7 Years	0.14	0.34	0.68
8 Years	0.17	0.36	0.68
9 Years	0.19	0.37	0.66
10 Years	0.21	0.38	0.65
15 Years	0.29	0.44	0.63
20 Years	0.29	0.45	0.61
30 Years	0.23	0.38	0.5

Credit Spreads vs Swiss Government Bonds - Ratings (bps)



Credit Spreads vs Swiss Government Bonds - Sectors (bps)



IMPORTANT INFORMATION

This document is a Marketing Communication relating to Lombard Odier Funds and its Sub-Fund ("LO Funds - Swiss Franc Credit Bond (Foreign)") (altogether referred to as the "Fund"). This document is intended only for Professional Investors in the EU/EEA countries where the Fund is registered for distribution, within the meaning of the Markets in Financial Instruments Directive 2014/65/EU (MiFID) and is not intended for retail investors, nor for U.S. Persons as defined under Regulation S of the United States Securities Act of 1933, as amended.

This document is issued by Lombard Odier Funds (Europe) S.A (hereinafter the "Management Company"). The Management Company is authorised and regulated by the Commission de Surveillance du Secteur (the “CSSF”) within the meaning of EU Directive 2009/65/EC and has its registered office at 291, Route d’Arlon, L-1150 Luxembourg. The Management Company is clustered within the Lombard Odier Investment Management Division ("LOIM") of Lombard Odier Group. LOIM is a trade name. The LOIM entities support in the preparation of this document and LOIM is a trade name. The Fund is authorized and regulated by the CSSF as a UCITS within the meaning of EU Directive 2009/65/EC, as amended.n

This document is the property of LOIM, is provided for information purposes only and is addressed for the recipient exclusively for its 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 used for any other purpose without the prior written permission of LOIM.

The contents of this document has not been reviewed by any regulatory authority in any jurisdictions and does not constitute an offer or a recommendation to subscribe for any securities or other financial instruments or products described herein.

It contains opinions of LOIM, as at the date of issue. These opinions and information contained herein in this document does not take into account all the specific circumstances of the addressee. Therefore, no representation is made that the investment strategies presented in this document are suitable or appropriate to the individual circumstances of any investors. Tax treatment depends on the individual circumstance of the investor and may be subject to change in the future. LOIM does not provide tax advice. Consequently, you must verify the above and all information provided in this document with the legal documents issued for the Fund or otherwise review it with your external tax advisors.

The information and analysis contained herein are based on sources believed to be reliable. While LOIM uses its best efforts to ensure that the content is created in good faith, with greatest care and with accuracy, it does not guarantee the timeliness, validity, reliability or completeness of the information contained in this document, neither does it warrant that the information is free from errors and omission not 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. Particular contents of third parties are marked as such. LOIM assumes no liability for any indirect, incidental or consequential damages that are caused by or in connection with the use of such content.

The Source of the data has been mentioned wherever it was available. Unless otherwise stated, the data is prepared by LOIM.

An investment in the Fund is not suitable for all investors. The ownership of any investment decision(s) shall exclusively vest with the investor. Investment must be done after analysing all possible risk factors and by exercising of independent discretion. The investor must particularly ensure the suitability of an investment as regards with his/her financial situation, risk profile and investment objectives investing. There can be no assurance that the Fund's investment objective will be achieved or that there will be a return on capital. Past or estimated performance is not necessarily indicative of future results and no assurance can be made that profits will be achieved, or that substantial losses will not be incurred. The investor bears the risk of losses in connection with any investment. The information contained in this document does not constitute any form of advice on any investment or related consequences of making any particular investment decision in any particular investment decision in any Fund. Each investor shall make his/her own appraisal of risk, goals, liquidity, taxes and other financial merit of his/her investment decisions. Views, opinions and estimates may change without notice and are based on a number of assumptions which may or may not eventuate or prove to be accurate. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or current market conditions and are not an exact indicator. What you will get will vary depending on how the market performs and how long you keep the investment/product.

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**.

LOIM recognises that conflicts of interest may exist as a consequence of the distribution of the Fund issued or managed by entities within the Lombard Odier Group. LOIM has a Conflict of Interests policy to identify and manage such conflicts of interest and a copy of this policy is available on https://am.lombardodier.com/home/asset-management-regulatory-disc.html.
A summary of investor's rights relating to regarding complaints and litigation is available in English on https://am.lombardodier.com/home/asset-management-regulatory-disc.html.

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.

A summary of the sustainable website entity level disclosure is available in English in the "Regulatory and voluntary" section of the website fund page on Regulatory Disclosures - Asset Management - Lombard Odier.

Limitation on Sale: The shares issued for this Fund may only be publicly offered or sold in countries in which such a public offer or sale is permitted. Therefore, unless the Management Company or representatives of the Management Company have filed an application with the local supervisory authorities and permission has been granted by the local supervisory authorities, and as long as no such application has been filed or no such permission granted by the supervisory authorities, this Fund does not represent an offer to buy investment shares.

Not for US Person: The Fund has not been registered pursuant to the 1933 United States Securities Act. This document is not intended for any "U.S. Person" as defined in Regulation S of the Act, as amended or pursuant to the 1940 United States Investment Company Act as amended and will not be registered pursuant to the 1940 United States Investment Company Act as amended, or pursuant to other US federal laws. Therefore, the shares will not be publicly offered or sold in the United States. 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, territory or possession of the United States of America, a corporation organized under the laws of the United States or of any state, territory or possession thereof, or any estate or trust that is subject to United States Federal income tax regardless of the source of its income.

The Fund is currently notified for marketing into a number of jurisdictions. The Management Company may decide to terminate the arrangements made for the marketing of the Fund at any time using the process contained in Article 93a of the UCITS Directive.

When the Fund is registered in the following jurisdictions, it is represented by the following Representatives:

Austria. Representative: Erste Bank der österreichischen Sparkassen AG, Am Belvedere 1, 1100 Vienna, Supervisory Authority: Finanzmarktaufsicht (FMA).
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.
Netherlands. Representative: Lombard Odier Funds (Europe) S.A. – Dutch Branch, Parklaan 26, 3016 BC Rotterdam, Supervisory Authority: Autoriteit Financiële Markten (AFM).
Norway. Supervisory Authority: Finanstilsynet (The Financial Supervisory Authority of Norway), P.O. Box 1187 Sentrum, Revierstredet 3, Oslo, Norway, NO - 0107; Website : http://www.finanstilsynet.no/en/.
Spain. Representative: All funds Bank, S.A.U. C/de los Padres Dominicos, 7, 28050, Madrid, Supervisory Authority: Comisión Nacional del Mercado de Valores (CNMV).
Sweden. Representative: SKANDINAVISKA ENSKILDA BANKEN AB (publ), Kungsträdgårdsgatan, SE-10640 Stockholm, Supervisory Authoriy: Finans Inspektionen (FI).
Switzerland. The Fund is intended for Professional Investors only and has not been approved by the Swiss Financial Market Supervisory Authority FINMA (Autorité fédérale de surveillance des marchés financiers) for distribution in or from Switzerland to non-qualified investors pursuant to Article 120 of the Swiss Collective Investment Scheme Act of 23 June 2023 (the "CISA") . This is an advertising

document. Representative: Lombard Odier Asset Management (Switzerland) SA, 6 av. Des Morgines, 1213 Petit-Lancy; Paying agent: Bank Lombard Odier & Co Ltd, 11 rue de la Corraterie, CH-1204 Geneva, Switzerland.
United Kingdom. Representative: Lombard Odier Asset Management (Europe) Limited, Queensberry House,3 Old Burlington Street, London W1S3AB, Supervisory Authority: Financial Conduct Authority (FCA).

NOTICE TO RESIDENTS OF THE UNITED KINGDOM In the United Kingdom: This document is a financial promotion and has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000, by Lombard Odier Asset Management (Europe) Limited (FCA Firm number: 515393) at the date of the publishing. The Fund is a Recognised Scheme in the United Kingdom under the Financial Services & Markets Act 2000. Potential investors in the United Kingdom are advised that none of the protections afforded by the United Kingdom regulatory system will apply to an investment in the Fund and that compensation will not generally be available under the Financial Services Compensation Scheme. This document does not itself constitute an offer to provide discretionary or non-discretionary investment management or advisory services, otherwise than pursuant to an agreement in compliance with applicable laws, rules and regulations.

UK regulation for the protection of retail clients in the UK and the compensation available under the UK Financial Services Compensation scheme does not apply in respect of any investment or services provided by an overseas person. The taxation position affecting UK investors is outlines in the Prospectus.

Important Information on Fund awards:
Morningstar: Morningstar Category: Morningstar assigns ratings based on comparisons of all funds within a specific Morningstar Category, rather than all funds in a broad asset class. The information contained herein is proprietary to Morningstar and/or its providers, may not be copied or distributed and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are not responsible for any damages or losses arising from any use of this information. For more information about the Morningstar Category:

https://www.morningstar.com/content/dam/marketing/shared/research/methodology/771945_Morningstar_Rating_for_Funds_Methodology.pdf and http://www.morningstar.com

Morningstar stars: The star rating is based on risk-adjusted performance. A fund must have a record of more than three years. Star ratings are graded on a curve: the top 10% of funds receive five stars, the next 22.5% receive four stars, the middle 35% receive three stars, the next 22.5% receive two stars and the bottom 10% get one star.
A rating alone is an insufficient basis for an investment decision. A rating is drawn for illustration purposes only and is subject to change. It is not a recommendation to invest in the Fund. It does not predict future performance of the Fund. There is no guarantee that the investment objective of the Fund will be reached.

For details regarding the star rating method:

https://www.morningstar.com/content/dam/marketing/shared/research/methodology/771945_Morningstar_Rating_for_Funds_Methodology.pdf and www.morningstar.com. Morningstar is not responsible for any damages or losses arising from any use of this information.

Data Protection: You may be receiving this Communication because you have provided us your contact details. If this is the case, note that we may process your personal data for direct marketing purposes. For more information on Lombard Odier's data protection policy, please refer to www.lombardodier.com/privacy-policy.