

Reasons to invest

LO Funds – Global Climate Bond

Why invest?

p.4



Fixed
Income



Publication issued by Lombard Odier Asset Management (Europe) Limited (or “LOIM”)

Lombard Odier Funds (in short LO Funds) is a variable capital investment company (SICAV) incorporated in Luxembourg as an Undertaking for Collective Investments in Transferable Securities (UCITS) subject to Luxembourg laws. Global Climate Bond is a Sub-Fund of LO Funds.

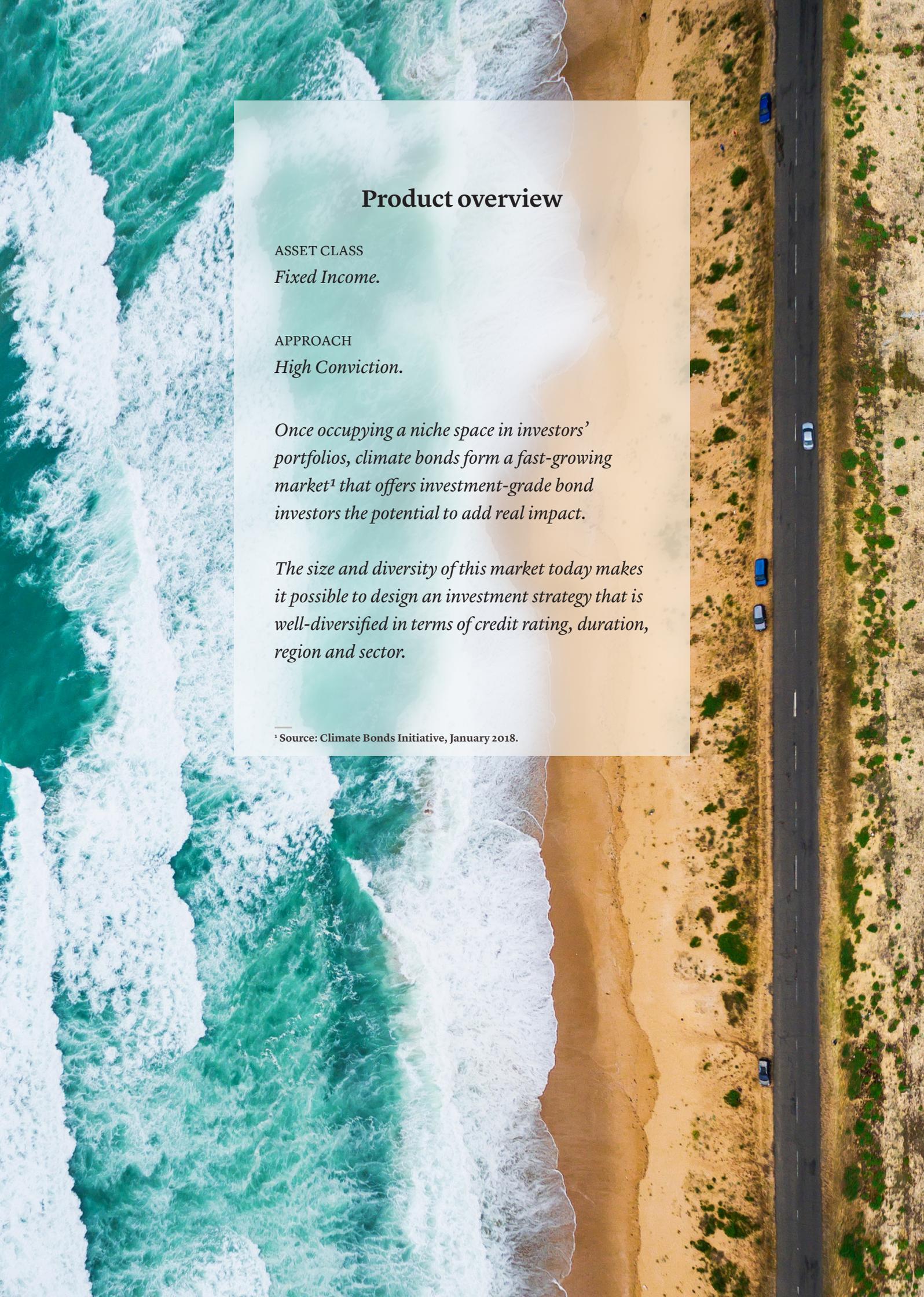
This marketing document is for retail investors located in the countries listed in the Key Facts section. It is not appropriate for Belgian retail investors unless the investment subscription is more than EUR 250,000. This document is also not intended for any US person. Please read the important information at the end of this document.

© 2020

p.2-7

· Product overview	2
· Investment strategy and philosophy	5
· The partnership	5
· Sub-Fund key facts	6
· Understanding the risks & Glossary	7

A dedicated impact solution
for a pressing need.



Product overview

ASSET CLASS

Fixed Income.

APPROACH

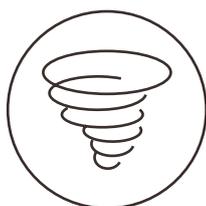
High Conviction.

Once occupying a niche space in investors' portfolios, climate bonds form a fast-growing market¹ that offers investment-grade bond investors the potential to add real impact.

The size and diversity of this market today makes it possible to design an investment strategy that is well-diversified in terms of credit rating, duration, region and sector.

¹ Source: Climate Bonds Initiative, January 2018.

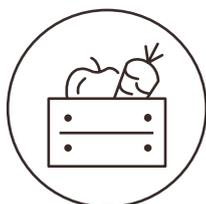
A pressing need...



23 million people
Displaced
every year since 2008
by climate disasters¹



250,000 people
Estimated to die
every year between 2030 and 2050
due to climate change²



-10% to -25%
Crop yields decrease
in 30 years if nothing is done³

¹ Source: Internal Displacement Monitoring Center (IDMC), 2015. / ² Source: Climate change and health, World Health Organisation, February 2018. / ³ Source: Working Group II Report, IPCC, 2014.

Why invest?

Targeting yields in excess of the broad investment-grade bond market, with comparable credit quality, as well as measurable environment impact¹

“ Proceeds raised from climate bonds fund a variety of projects, aimed at mitigating or helping the world adapt to climate change.² ”

A dedicated solution

Climate bonds provide capital for projects that have a verifiable impact in mitigating and helping the world adapt to the effects of climate change.

An additional estimated USD 700 billion of annual investment is needed to meet international commitments to limit climate change to 2°C above pre-industrial levels.³

Highly-rated issuers such as the World Bank are active in this field, as are many well-known organisations across the globe.⁴

The Sub-Fund taps into a growing investment universe which includes labelled green bonds and non-labelled climate-aligned bonds, both of which can help meet a pressing need for impact capital.



A wide-ranging opportunity set, in support of the transition to a low carbon economy⁷

Renewable energy



Wind and solar power have become an increasingly important source of energy in some countries, with the further benefit of local investment and job creation from a socio-economic perspective.

Transport



Urban transport systems help reduce high levels of traffic congestion and air pollution. Investing in capacity enhancements and hybrid equipment, for example, can help cities achieve a more sustainable and reliable system.

Infrastructure projects



Some international development institutions work with private sectors in developing economies. The building of schools, hospitals or energy access in underserved areas can have wider cross-sector and lasting community benefits.

¹ There can be no assurance that the Sub-Fund’s investment objective will be achieved or that there will be a return on capital or that a substantial loss will not be incurred. / ² Source: LOIM, June 2018. / ³ Source: World Economic Forum, COP 21. / ⁴ The portfolio information provided in this document is for illustrative purposes only and does not purport to be a 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. / ⁵ Source: Environmental Finance, Green bond fund of the year, May 2018; www.environmental-finance.com/content/awards/green-bond-awards-2018/winners. / ⁶ Source: Best fixed income firm initiative for ESG investment; <https://www.environmental-finance.com/content/awards/sustainable-investment-awards-2019/>, May 2020. / ⁷ Examples shown for illustrative purposes only. May not be representative of the Fund’s past or future portfolio of investments as a whole. It should not be assumed that the recommendations made in the future will be profitable or will equal the performance of the securities discussed in this document.

This marketing document is for retail investors located in the countries listed in the Key Facts section. It is not appropriate for Belgian retail investors unless the investment subscription is more than EUR 250,000.

Investment strategy and philosophy

At Lombard Odier Investment Managers, we believe sustainability will drive future return potential¹

Lombard Odier Investment Managers has partnered with Affirmative Investment Management (AIM), the first asset manager dedicated to fixed income impact strategies, to create this exciting opportunity to finance positive climate and social impact.

A distinct approach

Our proprietary climate bond investment universe, SPECTRUM Bonds^{®2} looks at the financial robustness of issuers, their ESG practices and how the use of bond proceeds contributes to preserving our environment in the long term.

Specialist expertise

AIM performs independent verification and monitoring to expand the investment universe to include non-labelled climate bonds. This deep analysis and engagement allows for enhanced market insight, credit analysis and risk management processes.

Impact reporting

We believe it is important to evidence the environmental and social outcomes arising from the Sub-Fund's underlying investments. The portfolio is aligned to the UN Sustainable Development Goals and Paris Climate Change agreement. AIM's reporting capability provides measurable insight into the aggregated positive impact of investors' investments.

The end result

The result is a diversified bond portfolio that seeks to create a positive environmental and social impact, while aiming to provide a higher yield and lower turnover than a typical investment-grade portfolio.¹

The partnership



Stephen Fitzgerald
Managing Partner, AIM



Iain Lindsay
Managing Partner, AIM



Dr Judith Moore
Partner, Verification & Impact, AIM



Dr Christopher Kaminker
Head of Sustainable Investment Research & Strategy, LOIM



LOMBARD ODIER
INVESTMENT MANAGERS

AIM Affirmative Investment Management

¹ There can be no assurance that the Sub-Fund's investment objective will be achieved, that there will be a return on capital or that a substantial loss will not be incurred. / ² Aligned to the UN Sustainable Development Goals and Paris Climate Change agreement.

This marketing document is for retail investors located in the countries listed in the Key Facts section. It is not appropriate for Belgian retail investors unless the investment subscription is more than EUR 250,000.

Key facts about LO Funds – Global Climate Bond

Legal structure	SICAV – UCITS (Luxembourg) ¹
Investment objectives	The objective of the Sub-Fund is to generate a regular income and capital appreciation by investing mainly in bonds whose use of proceeds are aimed at financing projects that have a positive impact on the environment. This Sub-Fund may not be appropriate for investors who plan to withdraw their money within 3 years.
Reference benchmark	None
Custodian bank/administration	CACEIS Bank, Luxembourg Branch
Sub-Fund launch	1 March 2017
Liquidity	Daily
Subscription/redemption details	Subscription deadline: T-1, 15:00 CET; Payment date: Up to T+3
Registered countries/ Investor type	Registered for distribution to retail investors in: Austria (AT), Finland (FI), France (FR), Germany (DE), Italy (IT), Liechtenstein (LI), Luxembourg (LU), Netherlands (NL), Norway (NO), Spain (ES), Sweden (SE), United Kingdom (GB). Switzerland (CH): Registered for distribution to Swiss non-qualified investors with the FINMA. Belgium (BE): Not appropriate for Belgian retail investors unless the investment subscription is more than EUR 250,000. US: Not appropriate for any US person.
Reference currency	USD
Management fee	0.40%
Conversion fee	Up to 0.50% (of the total amount switched)
Taxation in the EU	Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. Please consult your tax advisor for more details.

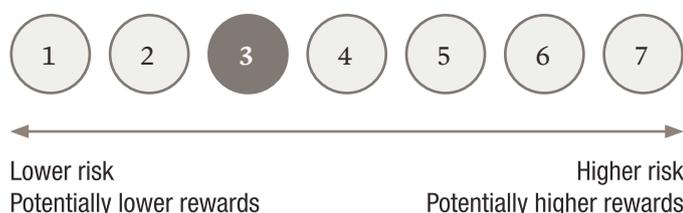
Share class	ISIN	SRRI	Entry charge	Ongoing charge ²	Distribution fee	Min. investment (EUR)	Countries of registration
Global Climate Bond, (USD) P A	LU1490631295	3	Max. 5%	1.07%	0.40%	3,000	AT, BE, ³ CH, DE, ES, FI, FR, GB, IT, LI, LU, NL, NO, SE
Global Climate Bond, Syst. Multi Ccy Hdg, (CHF) P A	LU1532733752	3	Max. 5%	1.07%	0.40%	3,000	AT, BE, ³ CH, DE, ES, FR, GB, LI, LU, NL
Global Climate Bond, Syst. Multi Ccy Hdg, (EUR) P A	LU1532731541	3	Max. 5%	1.06%	0.40%	3,000	AT, BE, ³ CH, DE, ES, FI, FR, GB, IT, LI, LU, NL, NO, SE
Global Climate Bond, Syst. Multi Ccy Hdg, (EUR) R A	LU1532731897	3	Max. 3%	1.59% ⁴	0.80%	1,000	AT, BE, ³ CH, DE, ES, FR, GB, IT, LI, LU, NL
Global Climate Bond, (USD) R A	LU1490631451	3	Max. 3%	1.51%	0.80%	1,000	AT, BE, ³ CH, DE, ES, FR, GB, IT, LI, LU, NL

The above share classes are for illustrative purposes only. Other share classes may be available in your country. The prospectus, the Key Investor Information Documents (KIIDs), the articles of incorporation as well as the semi-annual and annual reports are available on www.loim.com and can be requested free of charge at the registered office of the Sub-Fund.

¹ Lombard Odier Funds (“LO Funds”) is a variable capital investment company (SICAV) incorporated in Luxembourg as an Undertaking for Collective Investments in Transferable Securities (UCITS) subject to Luxembourg laws. Global Climate Bond is a Sub-Fund of LO Funds. / ² The ongoing charges figure is based on expenses for the 12-month period ending 25 January 2018. This figure may vary periodically. / ³ The Sub-Fund is not appropriate for Belgian retail investors unless the investment subscription is more than EUR 250,000. / ⁴ 25 May 2018.

This marketing document is for retail investors located in the countries listed in the Key Facts section. It is not appropriate for Belgian retail investors unless the investment subscription is more than EUR 250,000.

Understanding the risk and reward profile & Glossary



This indicator (SRRI) represents the annualised 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.

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 creditworthiness 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.

Please also pay attention to the inherent risks of this Sub-Fund, such as for instance:

- Risks related to Fixed-income securities
- Risks related to below investment grade and distressed securities

Before taking any investment decision, please read the latest version of the Prospectus, the articles of incorporation, the Key Investor Information Documents (KIIDs) and the latest annual report and semi-annual report. Please pay particular attention to Appendix B "Risk Factors" of the Prospectus.

Glossary

Climate-aligned bonds (non-labelled)

Non ring-fenced debt funding dedicated to climate-friendly sectors, requiring deeper impact verification expertise.

Credit rating

An independent assessment of a borrower's ability to repay its debts i.e. default risk. Standard & Poor's, Fitch and Moody's are the three most prominent credit rating agencies.

Debt recourse

Rights to demand payment from the general or specific assets of the debtor.

ESG

Environmental, Social and Governance factors.

Green bonds (labelled)

Ring-fenced debt funding for projects with clear positive climate impact. External validation on the use of proceeds.

Impact verification

An objective assessment to qualify a project's green, social or sustainability impact with measurement of those results.

Investment Grade

A bond with a credit rating of at least BBB- (Fitch), Baa3 (Moody's) or BBB- (S&P).

Yield

The anticipated percentage return on a bond if held to its maturity date.

Contact

To find out more about LO Funds – Global Climate Bond, email loim-funds@lombardodier.com

or visit www.loim.com  [@loimnews](https://twitter.com/loimnews) 

IMPORTANT INFORMATION

Lombard Odier Funds (hereinafter the “Fund”) is a Luxembourg investment company with variable capital (SICAV). The Fund is authorised and regulated by the Luxembourg Supervisory Authority of the Financial Sector (CSSF) as an Undertaking for Collective Investments in Transferable Securities UCITS under Part I of the Luxembourg law of the 17 December 2010 implementing the European directive 2009/65/EC, as amended (“UCITS Directive”). The Management Company of the Fund is Lombard Odier Funds (Europe) S.A. (hereinafter the “Management Company”), a Luxembourg based public limited company (SA), having its registered office at 291, route d’Arlon, 1150 Luxembourg, Grand Duchy of Luxembourg, authorised and regulated by the CSSF as a Management Company within the meaning of EU Directive 2009/65/EC, as amended. This marketing document relates to “LO Funds–Global Climate Bond,” a Sub-Fund of Lombard Odier Funds (hereinafter the “Sub-Fund”).

This marketing communication was prepared by Lombard Odier Asset Management (Europe) Limited.

The prospectus, the articles of incorporation, the Key Investor Information Documents, the subscription form and the most recent annual and semi-annual reports are the only official offering documents of the Sub-Fund’s shares (the “Offering Documents”). The Offering Documents are available in English, French, German and Italian at www.loim.com and can be requested free of charge at the registered office of the Sub-Fund in Luxembourg: 291 route d’Arlon, 1150 Luxembourg, Grand Duchy of Luxembourg.

The information contained in this marketing communication does not take into account any individual’s specific circumstances, objectives or needs and does not constitute research or that any investment strategy is suitable or appropriate to individual circumstances or that any investment or strategy constitutes a personal investment advice to any investor. This marketing communication is not intended to substitute any professional advice on investment in financial products. Before making an investment in the Sub-Fund, an investor should read the entire Offering Documents, and in particular the risk factors pertaining to an investment in the Sub-Fund. We would like to draw the investor’s attention toward the long-term nature of delivering returns across the economic cycle and the use of financial derivative instruments as part of the investment strategy may result in a higher level of leverage and increase the overall risk exposure of the Sub-Fund and the volatility of its Net Asset Value. Investors should take care to assess the suitability of such investment to his/her particular risk profile and circumstances and, where necessary, obtain independent professional advice in respect of risks, as well as any legal, regulatory, credit, tax, and accounting consequences. There can be no assurance that the Sub-Fund’s investment objective will be achieved or that there will be a return on capital. Past performance is not a reliable indicator of future results. Where the Sub-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. Please take note of the risk factors.

Any benchmarks/indices cited herein are provided for information purposes only. No benchmark/index is directly comparable to the investment objectives, strategy or universe of a Sub-Fund. The performance of a benchmark shall not be indicative of past or future performance of any Sub-Fund. It should not be assumed that the relevant Sub-Fund will invest in any specific securities that comprise any index, nor should it be understood to mean that there is a correlation between such Sub-Fund’s returns and any index returns. Target performance/risk represents a portfolio construction goal. It does not represent past performance/risk and may not be representative of actual future performance/risk.

The information and analysis contained herein are based on sources considered to be reliable. Lombard Odier makes its best efforts to ensure the timeliness, accuracy, and completeness of the information contained in this marketing communication. Nevertheless, all information and opinions as well as the prices, market valuations and calculations indicated herein may change without notice. Source of the figures: Unless otherwise stated, figures are prepared by Lombard Odier Asset Management (Europe) Limited. The tax treatment depends on the individual circumstances of each client and may be subject to change in the future. Lombard Odier does not provide tax advice and it is up to each investor to consult with its own tax advisors. Austria – Paying agent: Erste Bank der österreichischen Sparkassen AG.

Belgium – Financial services provider: CACEIS Belgium S.A. The Sub-Fund is not appropriate for Belgian retail investors unless the investment subscription is more than EUR 250,000. Please contact your tax advisor to identify the impacts of the Belgian tax “TOB” (“Taxe sur les Opérations Boursières”) on your transactions, as

well as the impacts of the withholding tax (“Précomptes mobiliers”). Lombard Odier has an internal Complaints Management Service. You can lodge a claim via your Relationship Manager or directly to Lombard Odier (Europe) S.A. Luxembourg, Belgium Branch, Claim Management Service, Avenue Louise 81, Box 12, 1050 Brussels, Fax: (+32) 2 543 08. Alternatively you can address your complaint free of charge to the national complaint service in Belgium, OMBUDSMAN: North Gate II, Boulevard du Roi Albert II, n°8 Boîte 22, 1000 Brussels, Tel: (+32) 2 545 77 70, Fax: (+32) 2 545 77 79, Email: Ombudsman@Ombusfin.be.

France – Centralising agent: CACEIS Bank.

Germany – German Information and Paying agent: DekaBank Deutsche Girozentrale.

Italy – Paying agents: Société Générale Securities Services S.p.A., State Street Bank International GmbH – Succursale Italia, Banca Sella Holding S.p.A., Allfunds Bank S.A.U., Milan Branch, BNP Paribas Securities Services, CACEIS Bank, Italy Branch.

Liechtenstein – Paying agent: LGT Bank AG.

Luxembourg – Depository, central administration agent, registrar, transfer Agent, paying agent and listing agent: CACEIS Bank, Luxembourg Branch.

Netherlands – Paying agent: Lombard Odier Asset Management (Europe) Ltd, Netherlands Branch.

Spain – Paying agent: Allfunds Bank S.A.U. – CNMV Number: 498.

Sweden – Paying agent: Skandinaviska Enskilda Banken AB (publ).

Switzerland – The Sub-Fund is registered with the Swiss Federal Financial Market Supervisory Authority (FINMA). The Offering Documents together with the other Shareholders’ information are available free of charge at the Swiss Representative: Lombard Odier Asset Management (Switzerland) S.A., 6, avenue des Morgines, 1213 Petit-Lancy, Switzerland. Swiss Paying Agent: Banque Lombard Odier & Co Ltd, 11, rue de la Corraterie 1204 Genève, Switzerland. Publications about the Sub-Fund: www.fundinfo.com. The issue and redemption prices and / or the net asset value (with the mention “excluding commissions”) of the Share classes distributed in Switzerland: www.swissfunddata.ch and www.fundinfo.com. Bank Lombard Odier & Co Ltd is a bank and securities dealer authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA).

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. It is approved for distribution by Lombard Odier (Europe) S.A., London Branch for Retail Clients in the United Kingdom. The Sub-Fund is a Recognised scheme in the United Kingdom under the Financial Services and Markets Act 2000. 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. UK facilities agent: Lombard Odier Asset Management (Europe) Limited. Lombard Odier (Europe) S.A. UK Branch is a credit institution regulated in the UK by the Prudential Regulation Authority (PRA) and subject to limited regulation by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). Details of the extent of our authorisation and regulation by the PRA and regulation by the FCA are available from us on request.

European Union Members: This marketing communication has been approved for issue by Lombard Odier (Europe) S.A. The entity is a credit institution authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg. Lombard Odier (Europe) S.A. branches are operating in the following territories: France: Lombard Odier (Europe) S.A. Succursale en France, a credit institution under limited supervision in France by the Autorité de contrôle prudentiel et de résolution (ACPR) and by the Autorité des marchés financiers (AMF) in respect of its investment services activities; Spain: Lombard Odier (Europe) S.A. Sucursal en España, Lombard Odier Gestión (España) S.G.I.I.C., S.A.U., credit institutions under limited supervision in Spain by the Banco de España and the Comisión Nacional del Mercado de Valores (CNMV).

United States: Neither this document nor any copy thereof may be sent, taken into, or distributed in the United States or given to any US person.

This marketing communication may not be reproduced (in whole or in part), transmitted, modified, or used for any public or commercial purpose without the prior written permission of Lombard Odier.

© 2020 Lombard Odier Investment Managers – all rights reserved.