

## LOMBARD ODIER FUNDS

### NOTICE TO SHAREHOLDERS

Dear Shareholder,

We wish to advise you of the following changes to the prospectus (the "Prospectus") of Lombard Odier Funds (the "Company" or "LOF" or "LO Funds").

A version of the Prospectus highlighting the changes is available free of charge upon request to the Company.

Terms defined in this notice shall have the same meaning as in the Prospectus.

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**LOF – Short-Term Money Market (CHF)**

**LOF – Short-Term Money Market (EUR)**

**LOF – Short-Term Money Market (GBP)**

**LOF – Short-Term Money Market (USD)**

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The Prospectus is amended in the context of the implementation of the regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds (the "Regulation").

The Regulation purports to make money market funds more resilient and able to honour redemption requests from investors, especially during stressed market situations.

The Sub-Fund qualifies as short-term variable net asset value money market fund under the Regulation.

Notwithstanding the fact that the Regulation does not extensively affect the Sub-Fund, its investment policy is slightly amended for consistency and transparency purposes and will read as follows:

*"This Sub-Fund qualifies as a Short-Term VNAV MMF under the MMF Regulation. This Sub-Fund may not employ the techniques and instruments for the purpose of EPM relating to transferable securities and money market instruments described in paragraph 4.5.*

*Investment Objective and Policy*

*A Sub-Fund invested in bank deposits, money market instruments and short-term debt instruments (e.g. ECP, T-Bills, CDs) and other fixed- or variable-rate securities, denominated in OECD currencies and/or Emerging Market currencies, with the objective to provide a return in line with money market rates. The entire portfolio of the Sub-Fund may not have a WAL of more than 120 days. Instruments are of high quality and may have a maximum residual maturity of 397 days. The WAM of the portfolio is no more than 60 days. Up to 20% of the Sub-Fund's assets may be invested in ABCPs.*

**Lombard Odier Funds**

Société d'Investissement à Capital Variable  
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*The Sub-Fund has to invest in securities of high quality as determined by the Investment Manager. In order to determine the high quality credit factor, the Investment Manager assesses the attributes of each security before any purchase, including but not limited to the rank (senior, subordinated, covered), the type of coupon (fixed, floating, zero), the size of the issue, the size of the issuer, the number of quotations in the market (liquidity impact), the liquidity of proxies, the market of the issue, the type of guarantee, the currency, the country of the issuer, the country of the issue, the maturity of the issue and the available rating of the issue and the issuer. Moreover the Investment Manager monitors this credit assessment on an ongoing basis.*

*The Sub-Fund will not invest in units of UCIs.*

*Subject to the limits permitted by the Investment Restrictions Applicable to MMFs described in Section 4.7 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:*

- *for hedging purposes:* Yes
- *for EPM:* No
- *as part of the investment strategy:* No

*The Sub-Fund may use financial derivative instruments for the purpose of only hedging the interest rate or exchange rate risks; underlying of those financial derivative instruments consists of interest rates, foreign exchange rates, currencies or indices representing one of those categories.*

*Investments in currencies other than the Reference Currency are hedged against exchange risk."*

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The changes mentioned above are effective as of 21 March 2019.

Copies of the current version of the Prospectus, key investor information documents, articles of incorporation and the latest annual and semi-annual reports of LO Funds may be obtained free of charge on request at the registered office of the Company.

Yours sincerely,

Your Board of Directors

Luxembourg, 12 April 2019