

Monthly commentary / 30.4.2026

Vontobel Fund – Emerging Markets Corporate Bond

Marketing document for institutional investors in: AT, CH, DE, DK, ES, FI, FR, GB, IT, LI, LU, NL, NO, PT, SE, SG (Professional Investors only).

Investors in France should note that, relative to the expectations of the Autorité des Marchés Financiers, this fund presents disproportionate communication on the consideration of non-financial criteria in its investment policy.

Market developments

April marked a partial reversal of the sharp risk-off observed in March, as geopolitical tensions temporarily eased and emerging-market (EM) assets staged a broad-based recovery. The Iran conflict remained unresolved, with the country's new supreme leader reaffirming control of the Strait of Hormuz and the country's commitment to its nuclear and missile programs. However, the announcement of a 14-day US-Iran ceasefire in early April provided a decisive catalyst for risk sentiment. The reprieve was short-lived: formal negotiations in Islamabad ended without agreement after 21 hours, US President Donald Trump declared a US naval blockade of the Strait, and Iran intermittently allowed, then halted, passage throughout the month. Fresh Iranian proposals revived back-channel hopes by month-end, but no breakthrough materialized.

Brent oil prices stabilized around USD 115 per barrel by month-end, moderating from March's peak of USD 118 but gaining 14.8% on the month and now up 83.3% year-to-date. Elevated oil prices continued to create a sharp divide between energy exporters and importers across EM. The Bloomberg Commodity Index gained 3.9% on the month. Copper rose 5.6% while cotton surged 14.1%. Precious metals retreated modestly, with gold down 1.1% and silver down 1.9%. Despite the severity of the physical energy dislocation, financial markets remained remarkably sanguine about the inflation implications. Inflation expectations rose only modestly. The US 5-year/5-year forward inflation swap rose by just 10 basis points (bps) over the month. The US Federal Reserve (Fed) held rates steady at its April meeting; by month-end, markets were pricing in only a 10.6% probability of a rate cut by December 2026. Among EM central banks, most maintained the status quo. The main exceptions were Brazil's BCB, which delivered a 25bps cut to 14.75% and Colombia's BanRep, which delivered a second consecutive 100bps hike to 11.25%.

10-year US Treasury yields rose by 5.3bps in April to 4.37%, extending rather than reversing March's move and representing the largest two-month selloff in US rates since late 2023. German 10-year yields rose by a more modest 3bps to 3.04%, while UK 10-year gilts rose 9.6bps to 5.01%. The US dollar's safe-haven rally of March partially unwound,

with the US Dollar Index (DXY) declining by 1.7% in April. Global equities rebounded sharply, with US equities (S&P 500 Total Return) gaining 10.5% and EM equities (MSCI EM) outperforming significantly at +14.7%. In fixed income, the recovery was broad-based across credit markets: Global high yield (HY) gained 2.2%, while US investment grade (IG) returned just 0.5%. EM-dedicated bond fund flows turned decisively positive, with inflows of approximately USD 2.5 billion in April, following USD 8.0 billion of outflows in March. EM hard-currency sovereign bonds (EMBIG Div) gained 2.9% in April, retracing essentially all of the conflict-driven spread widening seen in March, with the index spread tightening 41bps to 248bps. In contrast to March, where the move in US Treasury yields was the dominant driver of returns, April's recovery was primarily driven by spread compression. HY sovereigns significantly outperformed IG, returning 4.1% versus 1.6%, as investors moved back down the credit spectrum, with HY spreads tightening 69bps to 422bps against just 21bps of tightening for IG to 94bps. On a regional basis, Africa led the recovery (+4.4%), followed by Latin America (+3.2%) and EM Europe (+2.9%). The Middle East returned 2.3%, a positive outcome that nonetheless lagged the broader index recovery, as the unresolved Iran conflict continued to weigh on regional sentiment.

As in March, idiosyncratic country-specific catalysts largely determined relative performance, with the top performers spread across very different credit stories rather than any single thematic driver. Venezuela's defaulted bonds were once again the best-performing in the index, surging 12.2%. The dominant catalyst was the International Monetary Fund's (IMF) decision to resume formal contact with Venezuelan authorities, backed by a majority of the Fund's membership in mid-April, following the US recognition of acting president Delcy Rodríguez. Investors began pricing in the prospect of multilateral re-engagement and renewed access to external financing. Ukraine (+10.9%) rebounded on improved visibility over external support, including the Pentagon's release of USD 400 million in assistance and the announcement of an expected IMF mission to Kyiv at end-May. The central bank's commitment to hold its key rate at 15% through Q2 2027 provided additional policy certainty, though inflation continued to rise and EU loan conditionality remains a risk. Mozambique

(+9.9%) recovered on a surprising early repayment of approximately USD 700 million to the IMF, demonstrating stronger-than-expected liquidity, though Fitch flagged that a debt restructuring ahead of any new IMF program remains its base case. Lebanon (+8.3%) bounced on progress in IMF program negotiations and hopes for a ceasefire extension with Israel, though Hezbollah's rejection of direct talks and the resumption of IDF strikes in late April underline the fragility of the situation. Angola (+7.3%) benefited from higher oil revenues, a projected USD 3.5 billion windfall, three years of debt relief from China, and a 21st consecutive month of declining inflation. Colombia (+3.5%) delivered a positive return despite an S&P downgrade to BB- on fiscal slippage, with BanRep delivering a second consecutive 100bps hike to 11.25%, the clear outlier among major EM central banks.

EM hard-currency corporate bonds (CEMBI BD) gained 1.6% in April, with the shorter duration of the asset class again proving an advantage relative to sovereigns, as it had cushioned the drawdown in March. HY outperformed IG, returning 2.4% versus 1.1%. Regionally, Latin America led (+2.2%), followed by the Middle East (+2.0%) and Africa (+1.8%), while Asia lagged (+0.9%) due to its more defensive composition and greater sensitivity to energy import costs. At the sector level, real estate (+2.6%) rebounded after March's sharp underperformance, and commodity-linked sectors including oil & gas (+2.1%) and metals & mining (+2.0%) benefited from elevated prices.

In CEEMEA, the dominant corporate theme was the continued fallout from elevated jet fuel costs on the aviation sector. Air Baltic faced acute liquidity pressure, with Fitch cutting the rating to CCC-, citing the risk of a liquidity crisis within six to 12 months in the absence of a large equity injection. A EUR 30 million state loan approved by the Latvian parliament provided only temporary relief, and S&P followed with a further downgrade to CCC+ with negative outlook, citing a projected capital shortfall of EUR 120-170 million and leverage exceeding 10x. Energean, meanwhile, was instructed by the Israeli Energy Ministry to restart operations at its Karish gas field, which had been shut since the outbreak of the Iran war – a positive development for the credit after Fitch had revised its outlook to negative earlier in the month. In Türkiye, the macroeconomic backdrop remained challenging, with Fitch revising the sovereign outlook to stable from positive on the back of FX reserve depletion exceeding USD 50 billion from CBRT intervention since the start of the conflict. At the corporate level, Vestel was downgraded to Caa2 by Moody's on an unsustainable capital structure and persistently negative free cash flow, while Arcelik partially addressed its own balance sheet pressures through the sale of a 60% stake in its Hitachi home appliances joint venture for USD 205 million in cash.

In Latin America, Braskem was one of the most discussed credits in EM in April, but for positive reasons. The Iran war has fundamentally altered the petrochemical spread environment, with consensus EBITDA estimates moving above USD 2 billion. That's more than double pre-war levels. This transforms the credit narrative: a business that entered the conflict with leverage of approximately 15x and facing restructuring risk is now generating sufficient cash flow to justify materially higher recovery values, with bonds rallying from the low forties toward the seventies. We remain cautious about extrapolating current spread levels into a post-war environment, but

the near-term trajectory is meaningfully more positive than it appeared at the start of the year. Aegea came under pressure following a delay in its 2025 results filing and the restatement of its accounts, which triggered an S&P downgrade from BB- to B+. The sell-off in Aegea's bonds was significant but, in our view, overdone given the company's leading position in a defensive regulated sector and its solid shareholder base. Ecopetrol signed an agreement on April 23 to acquire approximately 26% of Brazil's Brava Energia from a consortium of shareholders including Somah Printemps Quantum Group, Jive Group, and Yellowstone, with the transaction potentially serving as a platform for the Colombian national oil company to expand its Brazilian upstream presence. Separately, J&F Luxembourg Finance completed a successful exchange offer for the 8.500% senior notes due 2032 issued by Eldorado Internacional and Flora Produtos de Higiene e Limpeza.

Portfolio review

April saw a strong reopening of the primary market, with USD 37 billion of EM corporate issuance priced, including a solid mix of HY and debut issuers. This was supported by a stabilizing macroeconomic backdrop after the ceasefire and expectations of a Strait of Hormuz reopening. EM fixed income also benefited from renewed inflows, with new issues heavily oversubscribed.

We participated selectively in the primary market, notably through subordinated debt issuances from Colombian food group Nutresa and gaming conglomerate Genting, both pricing above 8%. We consider those compelling levels for credits backed by strong underlying businesses. We also increased our exposure to Romania, which corrected during the month amid political noise following the PSD's formal withdrawal from the coalition and its demand for Prime Minister Ilie Bolojan's resignation. Similarly, we added to front-end OCP bonds, which underperformed the sovereign and offered compelling relative value. We also selectively added to higher-beta credits where the correction appeared excessive and fundamentals remained unaffected by the Middle East conflict, including GLP and Studio City.

On the event-driven side, we added to Aegea following a sharp sell-off triggered by a delay in its 2025 results filing and the restatement of its accounts, which led to a downgrade from BB- to B+ by S&P. We view the sell-off as overdone given Aegea's leading position in a defensive regulated sector and its solid shareholder base.

To finance these additions, we continued reducing oil-related names that had outperformed on the back of the Strait of Hormuz closure, trimming Republic of Congo and Tecpetrol after their strong rallies. We also reduced our Saudi bank Tier 2 exposure as valuations retraced close to pre-war levels, while we expect a significant pipeline of new issuance from the region in coming months, as already evidenced by Emirates NBD's new AT1 transaction at month-end and more than USD 12 billion of private placements issued across the region since mid-April. In addition, we exited our Hungary sovereign position following its strong outperformance after the election victory of pro-European candidate Péter Magyar.

Finally, we modestly reduced our Braskem exposure as bonds were up more than 40% year-to-date, driven by stronger petrochemical spreads following supply disruptions linked to the Iran conflict. We retain a constructive view on

bondholder recovery value, as the IG4 Capital takeover of Novonor's stake appears set to proceed despite earlier delays. Going into May, we believe the fund is well positioned, offering a yield of 8.2% for an average rating of BB and duration of approximately 4.3 years.

Performance analysis

The fund outperformed the benchmark by 0.91% in April, delivering an absolute return of 2.52% (net, I share class in USD) versus 1.61% for the benchmark.

The strong outperformance was driven by several factors. The main individual contributor was Braskem, whose bonds rose by more than 25% over the month, supported by improving petrochemical spreads following supply disruptions linked to the Iran conflict. EBITDA is expected to more than double compared with pre-war levels, leading investors to anticipate more favorable restructuring terms, particularly alongside the completion of the IG4 takeover. Within the same theme, petrochemical producers Bakide and Sasol also contributed positively to performance. Secondly, our overweight positioning in oil exporters added value, led by Angola sovereign, followed by Pemex and the Brazil sovereign. Finally, positions that had underperformed in previous months due to the Iran conflict, such as UAE real estate issuer Binghatti and the Turkey sovereign, recovered during the month and further supported returns.

On the negative side, the main detractor was Pembroke, which faced another disappointing set of results, followed by

Aegea, where the sharp sell-off discussed previously weighed on returns as we already held a position before adding during the month.

Outlook

Uncertainty around the timing of the reopening of the Strait of Hormuz, and the potential impact on global inflation through not only higher oil prices but also refined product shortages, reinforces the case for less rate-sensitive asset classes such as EM corporates. The asset class is not only more insulated from interest-rate volatility, but also benefits from diversification away from the US, attractive valuations versus US HY and EM sovereigns on a duration-adjusted basis, and still-light investor positioning, making it what we believe an interesting allocation to consider in the current macroeconomic backdrop. Furthermore, even after a reopening of the Strait, a normalization in oil prices is likely to take several months as countries rebuild inventories and some production capacity may remain impaired. Higher oil prices for longer would therefore remain broadly supportive for EM, particularly outside Asia.

Finally, when combined with generally resilient corporate fundamentals and strong opportunities for active credit selection, we believe EM corporates deserve a place in a robust portfolio as we see ample potential diversification opportunities. While oil producers stand out (although many bonds are approaching call prices, limiting upside), we also see resilience in sectors such as infrastructure and telecommunications.

Fund characteristics

Fund name	Vontobel Fund – Emerging Markets Corporate Bond
ISIN	LU1305089796
Share class	I USD
Reference index	J.P. Morgan CEMBI Broad Diversified
Inception date	13.11.2015

Historical performance (net returns, in %)

Time period	Fund	Ref. index	Time period	Fund	Ref. index
MTD	2.5%	1.6%	2025	8.3%	8.7%
YTD	2.4%	1.4%	2024	10.4%	7.6%
1 year	9.5%	8.1%	2023	-3.5%	9.1%
3 yrs p.a.	6.8%	7.9%	2022	-14.7%	-12.3%
5 yrs p.a.	0.2%	2.8%	2021	4.6%	0.9%
10 yrs p.a.	5.1%	4.3%	2020	5.8%	7.1%
ITD p.a.	5.9%	4.6%	2019	15.6%	13.1%
			2018	-0.6%	-1.6%
			2017	16.2%	8.0%
			2016	22.8%	9.7%

Past performance is not a reliable indicator of current or future performance.

Performance data does not take into account any commissions and costs charged when shares of the fund are issued and redeemed, if applicable. The return of the fund may go down as well as up, e.g. due to changes in rates of exchange between currencies. The value of the money invested in the fund can increase or decrease and there is no guarantee that all or part of your invested capital can be redeemed.

Investment risks

- Distressed securities have a high credit and liquidity risk as well as a potential restructuring and litigation risk. In the worst case, a total loss may result.
- The sub-fund's investments may be subject to sustainability risks. The sustainability risks that the sub-fund may be subject to are likely to have an immaterial impact on the value of the sub-fund's investments in the medium to long term due to the mitigating nature of the sub-fund's ESG approach. The sub-fund's performance may be positively or negatively affected by its sustainability strategy. The ability to meet social or environmental objectives might be affected by incomplete or inaccurate data from third-party providers. Information on how environmental and social objectives are achieved and how sustainability risks are managed in this sub-fund may be obtained from vontobel.com/sfdr.

Important legal information

This marketing document was produced by one or more companies of the Vontobel Group (collectively "Vontobel") for institutional clients, for distribution in AT, CH, DE, DK, ES, FI, FR, GB, IT, LI, LU, NL, NO, PT, SE, SG (Professional Investors only).

This document is for information purposes only and does not constitute an offer, solicitation or recommendation to buy or sell shares of the fund/fund units or any investment instruments, to effect any transactions or to conclude any legal act of any kind whatsoever. Subscriptions of shares of the fund should in any event be made solely on the basis of the fund's current sales prospectus (the "Sales Prospectus"), the Key (Investor) Information Document ("K(I)ID"), its articles of incorporation and the most recent annual and semi-annual report of the fund and after seeking the advice of an independent finance, legal, accounting and tax specialist. This document is directed only at recipients who are institutional clients, such as eligible counterparties or professional clients as defined by the Markets in Financial Instruments Directive 2014/65/EC ("MiFID") or similar regulations in other jurisdictions, or as qualified investors as defined by Switzerland's Collective Investment Schemes Act ("CISA").

Neither the fund, nor the Management Company nor the Investment Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of an assessment of ESG research and the correct execution of the ESG strategy. As investors may have different views regarding what constitutes sustainable investing or a sustainable investment, the fund may invest in issuers that do not reflect the beliefs and values of any specific investor.

Past performance is not a reliable indicator of current or future performance.

Performance data does not take into account any commissions and costs charged when shares of the fund are issued and redeemed, if applicable. The return of the fund may go down as well as up, e.g. due to changes in rates of exchange between currencies. The value of the money invested in the fund can increase or decrease and there is no guarantee that all or part of your invested capital can be redeemed.

Interested parties may obtain the above-mentioned documents free of charge from the authorized distribution agencies and from the offices of the fund at 49 Avenue J.F. Kennedy, L-1855 **Luxembourg**, the facilities agent in **Austria**: Erste Bank der oesterreichischen Sparkassen AG, Am Belvedere 1, A-1100 Vienna, the representative in **Switzerland**: Vontobel Fonds Services AG, Gotthardstrasse 43, 8022 Zurich, the paying agent in Switzerland: Bank Vontobel AG, Gotthardstrasse 43, 8022 Zurich, the Euro-

pean facilities agent for **Germany**: PwC Tax and Advisory, Société coopérative – GFD, 2, rue Gerhard Mercator, L-2182 Luxembourg, Email: lu_pwc.gfd.facsvs@pwc.com, qfdplatform.pwc.lu/facilities-agent/, the information agent in **Liechtenstein**: LLB Fund Services AG, Äulestrasse 80, FL-9490 Vaduz. Refer for more information on the fund to the latest prospectus, annual and semi-annual reports as well as the key (investor) information documents ("K(I)ID"). These documents may also be downloaded from our website at vontobel.com/am. A summary of investor rights (including information on representative actions for the protection of the collective interests of consumers under EU Directive 2020/1828) is available in English under: vontobel.com/vamsa-investor-information. Vontobel may decide to terminate the arrangements made for the purpose of marketing its collective investment schemes in accordance with Article 93a of Directive 2009/65/EC. **Denmark**: The KID is available in Danish. **Finland**: The KID is available in Finnish. The KID is available in French. The fund is authorized to the commercialization in **France**. Refer for more information on the funds to the KID. **Italy**: Refer for more information regarding subscriptions in Italy to the Modulo di Sottoscrizione. For any further information: Vontobel Asset Management S.A., Milan Branch, Piazza degli Affari 2, 20123 Milano, telefono: 0263673444, e-mail: clientrela-tion.it@vontobel.com. **Netherlands**: The Fund and its sub-funds are included in the register of Netherlands' Authority for the Financial Markets as mentioned in article 1:107 of the Financial Markets Supervision Act ("Wet op het financiële toezicht"). **Norway**: The KID is available in Norwegian. Please note that certain sub-funds are exclusively available to qualified investors in Andorra or **Portugal**. In **Spain**, funds authorized for distribution are recorded in the register of foreign collective investment companies maintained by the Spanish CNMV (under number 280). The KID can be obtained in Spanish from Vontobel Asset Management S.A., Sucursal en España, Paseo de la Castellana, 91, Planta 5, 28046 Madrid. **Sweden**: The KID is available in Swedish. The fund and its sub-funds are not available to retail investors in **Singapore**. Selected sub-funds of the fund are currently recognized as restricted schemes by the Monetary Authority of Singapore. These sub-funds may only be offered to certain prescribed persons on certain conditions as provided in the "Securities and Futures Act", Chapter 289 of Singapore. This document was approved by Vontobel Pte. Ltd., which is licensed with the Monetary Authority of Singapore as a Capital Markets Services Licensee and Exempt Financial Adviser and has its registered office at 8 Marina Boulevard, Marina Bay Financial Centre (Tower 1), Level 04-03, Singapore 018981. This advertisement has not been reviewed by the Monetary Authority of Singapore. The fund is not authorized by the Securities and Futures Commission in **Hong Kong**. It may

only be offered to those investors qualifying as professional investors under the Securities and Futures Ordinance. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution and if you are in doubt about any of the contents of this document, you should obtain independent professional advice. This document was approved by Vontobel (Hong Kong) Ltd., which is licensed by the Securities and Futures Commission of Hong Kong and provides services only to professional investors as defined under the Securities and Futures Ordinance (Cap. 571) of Hong Kong and has its registered office at 1901 Gloucester Tower, The Landmark 15 Queen's Road Central, Hong Kong. This advertisement has not been reviewed by the Securities and Futures Commission. The fund authorized for distribution in the **United Kingdom** and entered into the UK's temporary marketing permissions regime can be viewed in the FCA register under the Scheme Reference Number 466625. The fund is authorized as a UCITS scheme (or is a sub-fund of a UCITS scheme) in a European Economic Area (EEA) country, and the scheme is expected to remain authorized as a UCITS while it is in the temporary marketing permissions regime. This information was approved by Vontobel Asset Management S.A., London Branch, which has its registered office at 3rd Floor, 70 Conduit Street, London W1S 2GF and is authorized by the Commission de Surveillance du Secteur Financier (CSSF) and subject to limited regulation by the Financial Conduct Authority (FCA). Details about the extent of regulation by the FCA are available from Vontobel Asset Management S.A., London Branch, on request. The KIID can be obtained in English from Vontobel Asset Management S.A., London Branch, 3rd Floor, 70 Conduit Street, London W1S 2GF or downloaded from our website vontobel.com/am.

This document is not the result of a financial analysis and therefore the "Directives on the Independence of Financial Research" of the Swiss Bankers Association are not applicable. Vontobel and/or its board of directors, executive management and employees may have or have had interests or positions in, or traded or

acted as market maker in relevant securities. Furthermore, such entities or persons may have executed transactions for clients in these instruments or may provide or have provided corporate finance or other services to relevant companies.

Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto. Refer to am.vontobel.com/terms-of-licenses for more details.

Although Vontobel believes that the information provided in this document is based on reliable sources, it cannot assume responsibility for the quality, correctness, timeliness or completeness of the information contained in this document. Except as permitted under applicable copyright laws, none of this information may be reproduced, adapted, uploaded to a third party, linked to, framed, performed in public, distributed or transmitted in any form by any process without the specific written consent of Vontobel. To the maximum extent permitted by law, Vontobel will not be liable in any way for any loss or damage suffered by you through use or access to this information, or Vontobel's failure to provide this information. Our liability for negligence, breach of contract or contravention of any law as a result of our failure to provide this information or any part of it, or for any problems with this information, which cannot be lawfully excluded, is limited, at our option and to the maximum extent permitted by law, to resupplying this information or any part of it to you, or to paying for the resupply of this information or any part of it to you. Neither this document nor any copy of it may be distributed in any jurisdiction where its distribution may be restricted by law. Persons who receive this document should make themselves aware of and adhere to any such restrictions. In particular, this document must not be distributed or handed over to US persons and must not be distributed in the USA.

Vontobel Asset Management AG
Gotthardstrasse 43, 8022 Zürich
Switzerland
T +41 58 283 71 11
info@vontobel.com | vontobel.com/am