

Vontobel Fund - Emerging Markets Debt AI

Approved for institutional investors in: AT, CH, CL, DE, FR, IT, LI, LU, SG (professional investors).

Approach

The Vontobel Fund - Emerging Markets Debt is an active, high conviction emerging market debt fund focusing on emerging sovereign and quasi sovereign hard-currency debt. It applies both top-down and distinctive bottom-up value and contrarian approaches based on proprietary rich-cheap analysis.

Objective

The fund aims to outperform its reference index over a rolling three-year investment cycle. To achieve this, our process is organized around the maximization of the emerging market credit spread for a given level of risk. This can be achieved by profiting from the numerous price dislocations apparent in this highly inefficient emerging debt market.

Characteristics

The fund is generally fully invested with a minimum 2/3 of assets invested in emerging hard-currency debt. Emerging currency exposure is capped at 10% of assets.

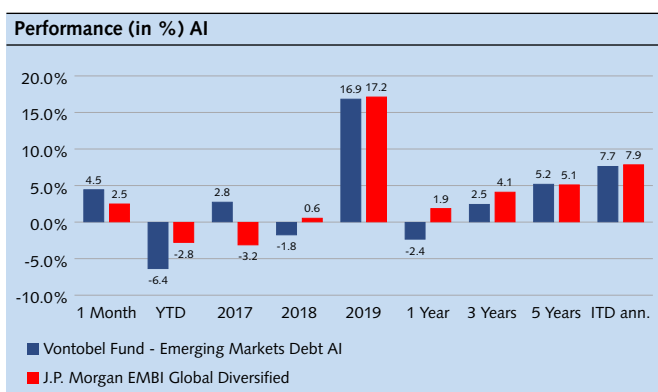
Management team

Agile, compact and experienced portfolio manager team which places emphasis on manager accountability rather than committee based decision making. Team with a long track record in applying this distinctive, bottom-up focused process to emerging hard-currency debt. The Emerging Market Debt team is supported by the highly rated Credit, Flexible and Global Bond teams of the Vontobel Fixed Income boutique.

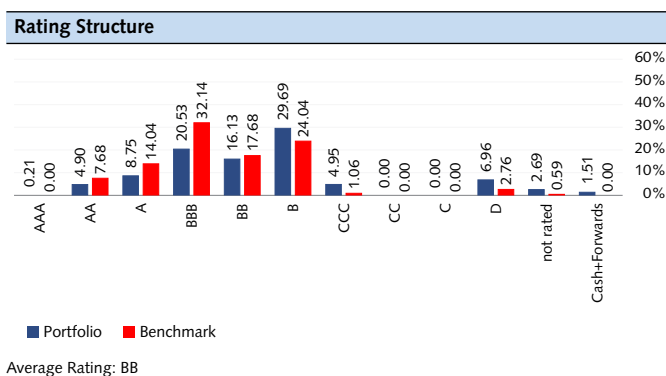
★★★★
Morningstar Rating™
As of 31.05.2020

| Fund Data | |
|-------------------------|-----------------------------------|
| Portfolio Manager | Luc D'hooge \ Wouter Van Overfelt |
| Fund domicile | Luxembourg |
| Fund currency | USD |
| Share class currency | EUR |
| Swinging Single Pricing | Yes |
| Net asset value | 121.10 |
| Fund volume in mln | 4,671.70 USD |
| Management fee | 0.550% |
| TER (per 28/02/2020) | 0.77% |
| Launch date | 09/07/2014 |
| ISIN | LU1086766554 |
| Valor | 24882764 |
| Bloomberg | VEMKDAI LX |

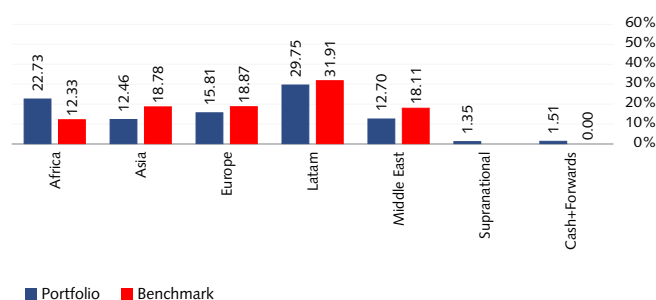
| Net Performance of AI Share (in EUR and %) | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-----------|-----------|-----------------|
| | 1 mth. | YTD | 2019 | 2018 | 2017 | 3 y. p.a. | 5 y. p.a. | since inception |
| Fund | 4.5 | -6.4 | 16.9 | -1.8 | 2.8 | 2.5 | 5.2 | 55.4 |
| Index | 2.5 | -2.8 | 17.2 | 0.6 | -3.2 | 4.1 | 5.1 | 57.3 |
| | 07.15 – 06.16 | 07.16 – 06.17 | 07.17 – 06.18 | 07.18 – 06.19 | 07.19 – 06.20 | | | |
| Fund | 8.3 | 10.6 | -3.7 | 14.4 | -2.4 | | | |
| Index | 10.1 | 3.3 | -3.9 | 15.3 | 1.9 | | | |
| Benchmark: J.P. Morgan EMBI Global Diversified | | | | | | | | |
| Source: Vontobel Asset Management AG. Past performance is not a guide to current or future performance. The performance data do not take account of the commissions and costs incurred on issue and redemption. The return of the fund can be a result of currency fluctuations rise or fall. | | | | | | | | |



| Key Data | | |
|--------------------------------------|-----------------|-----------|
| | Portfolio | Benchmark |
| Yield to Maturity (YTM) | 6.6 | 4.3 |
| Modified Duration | 6.5 | 7.6 |
| Volatility* | 15.18% | n.a. |
| Average Rating | BB | BB+ |
| # of Positions | 239 | 821 |
| Active Share (country, issuer, ISIN) | 38% / 64% / 89% | |
| * 3 years annualized | | |



Regional Exposure



Major bond positions

| | |
|--|------|
| 4.85% Czech Republic 26.11.2057 Senior | 2.1% |
| 6.875% Cote d'Ivoire 17.10.2040 Reg-S Senior | 2.0% |
| 2.5% Saudi Arabia 03.02.2027 Reg-S Senior | 1.9% |
| 0% Ukraine 31.05.2040 FRN Reg-S Senior | 1.9% |
| 4.75% Senegal 13.03.2028 | 1.8% |
| 1.875% Perusahaan Listrik 05.11.2031 Senior | 1.8% |
| 3.5% QNB FINANCE 28.03.2024 | 1.8% |
| 3.624% Romania 26.05.2030 Reg-S Senior | 1.7% |
| 6.875% OCP 25.04.2044 Reg-S Senior | 1.7% |
| 5.625% United Mex States 19.03.2114 Reg-S Senior | 1.6% |

Opportunities

- + Broad diversification across numerous securities
- + Investments in foreign currencies might generate currency gains
- + Possible extra returns through single security analysis and active management
- + Gains on invested capital possible
- + Use of derivatives for hedging purposes may increase subfund's performance and enhance returns
- + Bond investments offer interest income and capital gains opportunities on declining market yields
- + Gains through participating in the growth potential of emerging markets are possible

Risks

- Limited participation in potential of single securities
- Investments in foreign currencies are subject to currency fluctuations
- Success of single security analysis and active management cannot be guaranteed
- It cannot be guaranteed that the investor will recover the capital invested
- Derivatives entail risks relating to liquidity, leverage and credit fluctuations, illiquidity and volatility.
- Interest rates may vary, bonds suffer price declines on rising interest rates.
- Investments in emerging markets may be affected by political developments, currency fluctuations, illiquidity and volatility.

Important legal information:

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This document is directed only at recipients who are qualified investors as defined by Switzerland's Collective Investment Schemes Act («CISA»).

In particular, we wish to draw your attention to the following risks: Investments in the securities of emerging- market countries may exhibit considerable price volatility and – in addition to the unpredictable social, political and economic environment – may also be subject to general operating and regulatory conditions that differ from the standards commonly found in industrialised countries. The currencies of emerging-market countries may exhibit wider fluctuations. Investments in riskier, higher-yielding bonds are generally considered to be more speculative in nature. These bonds carry a higher credit risk and their prices are more volatile than bonds with superior credit ratings. There is also a greater risk of losing the original investment and the associated income payments. Investments in derivatives are often exposed to the risks associated with the underlying markets or financial instruments, as well as issuer risks. Derivatives tend to carry more risk than direct investments. Investment universe may involve investments in countries where the local capital markets may not yet qualify as recognised capital markets.

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 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 authorised distribution agencies and from the offices of the fund at 11-13 Boulevard de la Foire, L-1528 Luxembourg. Refer for more information on the fund to the latest prospectus, annual and semi-annual reports as well as the key investor information documents ("KIID"). These documents may also be downloaded from our website at vontobel.com/am/, 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 paying agent in Germany: the paying agent in Germany: LBBW Landesbank Baden-Württemberg, Große Bleiche 54-56, 55116 Mainz., the paying agent in Liechtenstein: Liechtensteinische Landesbank AG, Städtle 44, FL-9490 Vaduz, the paying agent in Austria Erste Bank der oesterreichischen Sparkassen AG, Graben 21, A-1010 Vienna. The KIID is available in French. Refer for more information on the funds to the Document d'Information Clé pour l'Investisseur (DIC). 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 3, 20123 Milano, telefono: 0263673444, e-mail clientrelation@vontobel.it. The fund and its subfunds 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. The fund is not authorised by the Securities and Futures Commission of 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 any doubt about any of the contents of this document, you should obtain independent professional advice. This information was approved by Vontobel Asset Management Asia Pacific Ltd., which has its registered office at 1901 Gloucester Tower, The Landmark 15 Queen's Road Central, Hong Kong. In Chile the funds may not be publicly offered, neither as an entity of Vontobel or under registration with the Chilean supervisory authority ("Superintendencia de Valores y Seguros") in accordance with the Securiteis Act no. 18.045. The offer of the instruments mentioned in this presentation is subject to General Rule No. 336 issued by the Superintendencia de Securities and Insurance of Chile (Superintendencia de Valores y Seguros) ("SVS"). The subject matter of this offer are securities not registered with the Securities Registry (Registro de Valores) of the SVS, nor with the Foreign Securities Registry (Registro de Valores Extranjeros) of the SVS; therefore, such securities are not subject to the supervision of the SVS. Since the securities are not registered in Chile, there is no obligation of the issuer to make publicly available information about the securities in Chile. The securities shall not be subject to public offering in Chile unless registered with the relevant securities registry of the SVS. Please note that certain sub-funds are exclusively available to qualified investors. This communication is for information of institutional investors only (qualified as such by the laws of the Republic of Peru) and does neither constitute an offer of financial services nor a recommendation or offer to purchase or sell shares in any financial instrument. The shares of the fund have not been and will not be registered with the Securities Market Public Register ("Registro Público del Mercado de Valores") kept by the Peruvian Superintendencia for the Securities Market ("Superintendencia del Mercado de Valores", SMV).

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Vontobel Asset Management AG
Telefon +41 (0)58 283 71 50
www.vontobel.com/am

Glossary

Benchmark

An index that is used to measure the performance of an investment fund with the purpose of tracking the return of such index or of defining the asset allocation of a portfolio or of computing the performance fees.

Beta

A measure of sensitivity - given as the average percentage change in the price of a fund when the market (benchmark) rises or falls by 1%. A value over (under) 1 means that on average the fund exhibits more (less) volatility than the benchmark. The figure is calculated on a 3-yearly basis.

Duration (Modified Duration)

Duration is an indication of how much a bond's price could be affected by a change in interest rates.

Effective Duration

Is a measure of the potential impact on a bond or portfolio price of a 1% change in interest rates across all maturities.

Hedging

Where a Class of Shares is described as hedged ("Hedged Share Class"), the intention is to hedge the Net Asset Value in the Reference Currency of the Sub/Fund into the Currency of the Hedged Share Class.

Information ratio

The information ratio (IR) is a ratio of portfolio returns above the returns of a benchmark to the volatility of those returns

Jensen's Alpha

Yield indicator. If the average return on a security or portfolio is larger than its expected return, the alpha is positive. If the average return is smaller than expected, the alpha is negative.

Management Fee

Is a fee which covers all costs relating to possible services rendered in connection with investment management and distribution. Please refer to the fund's prospectus for a complete description.

NAV

The Net Asset Value (NAV) represents the value per share. It is calculated by dividing the total net asset value of the fund (the value of the fund's assets less its liabilities) by the number of shares outstanding.

Performance Fee

The payment made to an Investment Manager if certain performance levels are achieved (often over and above any levels set out in the investment objective) within a set time period. Please refer to the fund's prospectus for a complete description.

Reference Index

The difference to benchmark is that the reference index is not used for calculation of performance fees.

Sharpe Ratio

The Sharpe ratio indicates the additional reward per unit of risk compared to a risk-free investment. It reveals how much performance was achieved at what level of risk.

TER

The fees and incidental costs charged on the management of collective investment schemes are to be disclosed using the internationally recognized Total Expense Ratio (TER). This ratio expresses the sum of all fees and incidental costs charged on an ongoing basis to the collective investment scheme's assets (operating expenses) taken retrospectively as a percentage of the net assets

Tracking error

Measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error.

Volatility

Volatility (or risk or standard deviation) is an indicator of the range of fluctuation of the annualized performance of a fund over a certain period.

Weighted Average Coupon (WAC)

The coupon is the annual interest rate paid by a bond issuer on the face value of the bond.

Yield to Maturity

The rate of return anticipated on a bond if it is held until the maturity date.

Yield to Worst

The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions are used by the issuer.