

Asset Management / Fund Factsheet / 31.08.2021

Vontobel Fund - Emerging Markets Debt AI, EUR

Morningstar Rating as of 31.07.2021 ★★★★★

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

Investment objective

This bond fund aims to generate the best possible investment returns over a full economic cycle, while respecting risk diversification.

Key features

The fund invests across emerging markets mainly in government and quasi-sovereign bonds of diverse qualities with different maturities in various hard currencies. In addition, the fund may have limited exposures to emerging market corporate bonds as well as emerging market currencies. The fund uses derivative financial instruments, primarily for hedging purposes.

Approach

The compact and agile investment team of experienced emerging market specialists focuses on spread optimization for a given level of risk. Based on in-depth research and using a proprietary valuation model, the portfolio managers continuously compare the levels of remuneration potential available across issuer qualities, countries, interest rates, currencies and maturities within the investment universe to identify the most rewarding opportunities, which may be contrarian to mainstream views. To seize them, the team flexibly adapts the portfolio while keeping credit, interest rate and currency risks in check.

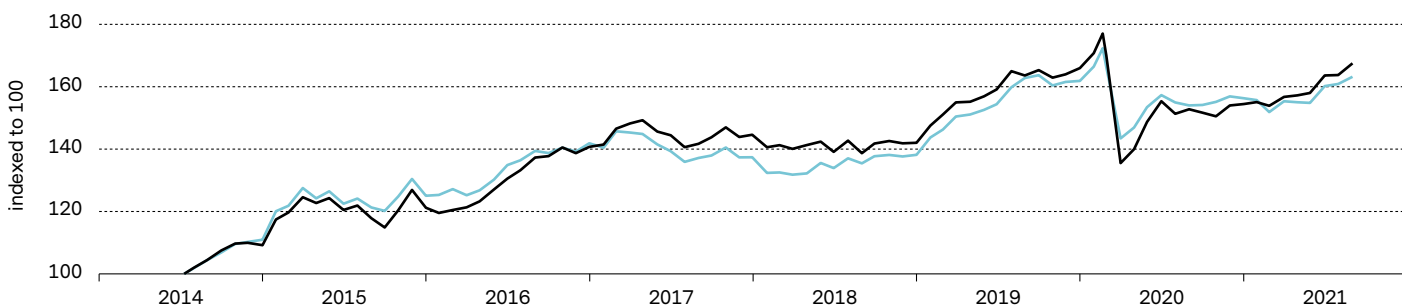
Portfolio management	Luc D'hooge / Wouter Van Overfelt
Fund domicile, legal structure	Luxembourg, UCITS
Currency of the fund / shareclass	USD / EUR
Launch date fund / shareclass	15.05.2013 / 09.07.2014
Fund size	USD 4,250.52 mio
Net asset value (NAV) / share	EUR 124.48
Ref. index	J.P. Morgan EMBI Global Diversified
ISIN / WKN / VALOR	LU1086766554 / A1175S / 24882764
Management fee	0.55%
Ongoing charges (incl. Mgmt. fee) as of 28.02.2021	0.77%
Maximum entry / switching / exit fee ¹⁾	5.00% / 1.0% / 0.30%
Swinging Single Price	Yes
Distribution policy	distribution, annually
Last distribution on 25.11.2020	EUR 5.61
Distribution yield	4.51%

¹⁾ Refer to fund distributor for actual applicable fees, if any.

Portfolio Characteristics	Fund	Ref. index
Volatility, annualized ²⁾	14.94%	n.a.
Sharpe ratio ²⁾	0.47	
Information ratio ²⁾	0.01	
Modified duration (years)	6.71	7.88
Average Rating	BB	BB+
Number of positions	244	947
Yield to maturity	6.50%	3.94%
Yield to maturity after hedging to USD	6.63%	3.91%
Yield to worst (YTW)	6.48%	3.91%
Tracking error, ex-post ²⁾	5.56%	
Option-adjusted spread, OAS (basis points)	560	286

²⁾ calculated over 3 years

Historical Performance (%) — Fund — Reference index



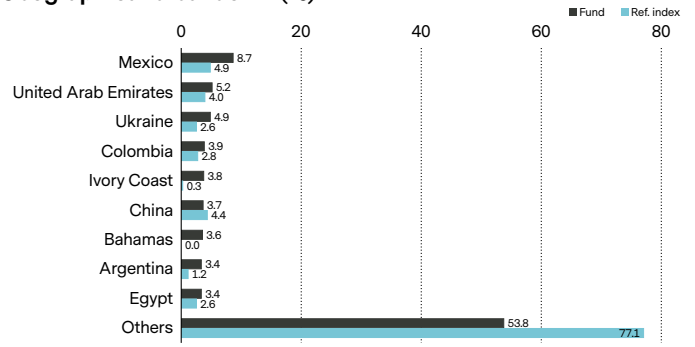
	09.20 - 08.21	09.19 - 08.20	09.18 - 08.19	09.17 - 08.18	09.16 - 08.17	1 m	year to date	2020	2019	2018	3 yrs p.a.	5 yrs p.a.	since inception
Fund	9.6	-6.6	18.0	-2.1	3.2	2.3	8.5	-6.9	16.9	-1.8	6.5	4.1	67.5
Ref. index	6.0	-5.4	20.2	-1.3	-1.6	1.4	4.4	-3.4	17.2	0.6	6.4	3.2	63.2

Past Performance is not a guide to current or future performance. Performance data do not take account of the entry / exit commissions and costs incurred, and reflect gross distributions reinvested. Performance of a fund can rise or fall, i.a. as a result of currency fluctuations.

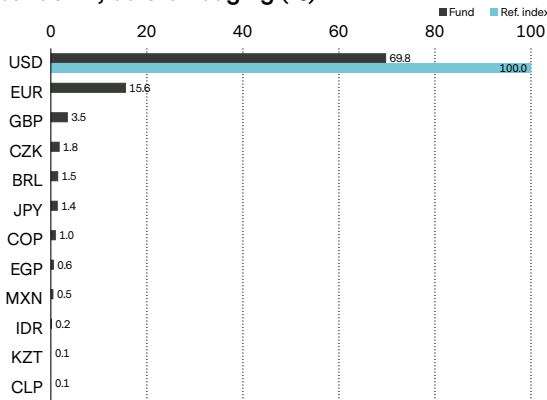
Major positions (%)

4% Gov of Sharjah 28.07.2050 Reg-S Senior	2.7
0% Ukraine 31.05.2040 FRN Reg-S Senior	2.7
5.625% United Mex States 19.03.2114 Reg-S Senior	2.5
8.95% Bahamas 15.10.2032	2.2
6.75% PEMEX 21.09.2047 Senior	2.0
6.625% Cote d'Ivoire 22.03.2048 Reg-S Senior	1.9
4.7% BOAD 22.10.2031 Reg-S	1.7
8.375% Papua New Guinea 04.10.2028 Reg-S Senior	1.7
4.85% Czech Republic 26.11.2057 Senior	1.6
0.5% Ecuador 31.07.2040 FRN Reg-S Senior	1.5
Total	20.5

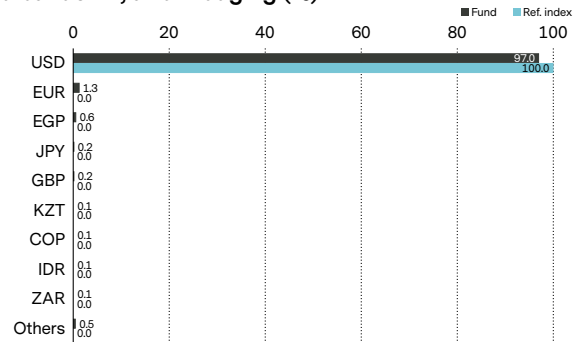
Geographical breakdown (%)



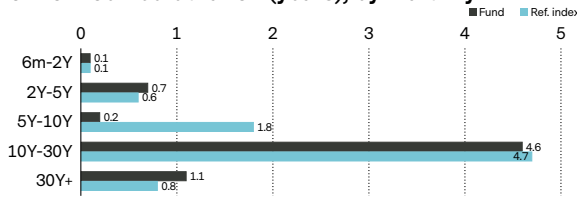
Currency breakdown, before hedging (%)



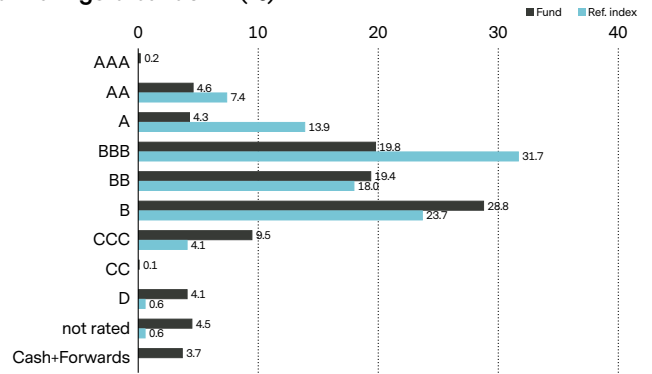
Currency breakdown, after hedging (%)



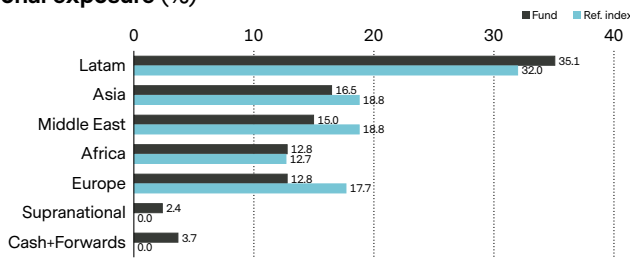
Contribution to modified duration (years), by maturity



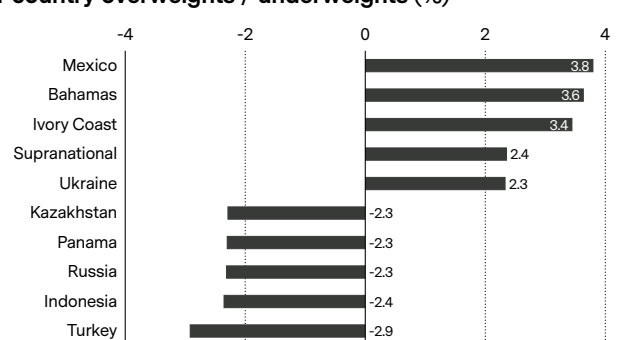
Credit ratings breakdown (%)



Regional exposure (%)

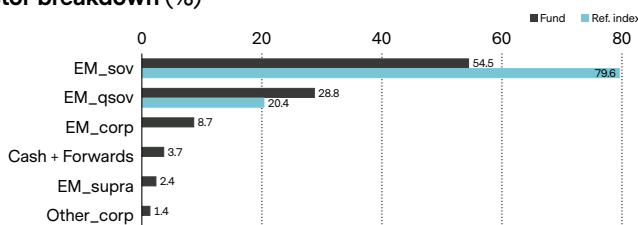


Major country overweights / underweights (%)



Values reflect the country exposure of the fund relative to the Reference index.

Sector breakdown (%)



Risks

- Limited participation in the 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.
- The Sub-Fund's investments may be subject to Sustainability Risks. Information on how sustainability risks are managed in this Sub-Fund may be obtained from Vontobel.com/SFDR.

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. **Index:** Is a characteristic portfolio considered representative of a particular market or a portion of it, and serves as a performance measurement for such a market. An index, or combination thereof, used as reference for performance comparison, is then called "reference index". **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. **Ongoing charges:** Expresses the sum of the costs of running a fund on an ongoing basis, like management fee and various legal and operating costs. It is calculated retroactively over a period of 12 months as a percentage of the fund assets. When insufficient data is available, Ongoing Charges may be estimated using data of funds with similar characteristics. **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. **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. **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.

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