

Asset Management / Fund Factsheet / 31.08.2022

## Vontobel Fund - Sustainable Emerging Markets Debt B, USD

Marketing document for retail investors in: AT, CH, DE, ES, FR, IT, LU

### Investment objective

This bond fund aims to outperform its benchmark over a three-year rolling period and seeks to promote environmental or social practices, while respecting risk diversification.

### Key features

The fund invests across emerging markets mainly in government, quasi-sovereign, and corporate bonds of diverse qualities with different maturities in various hard currencies from issuers that seek to promote environmental or social practices.

### Approach

The experienced specialist team defines the investment universe using a proprietary sustainability model which combines a quantitative screening based on in-house and third-party provider data with a qualitative analysis of major sustainability risks. The team focuses on optimizing the level of spread for a given level of risk. Based on in-depth research and using a proprietary valuation model, the team continuously compares 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.

### Risk and reward profile



Portfolio management	Sergey Goncharov / Luc D'hooge
Fund domicile, legal structure, SFDR	Luxembourg, UCITS, Art. 8
Currency of the fund / shareclass	USD / USD
Launch date fund / shareclass	30.09.2020 / 30.09.2020
Fund size	USD 228.45 mio
Net asset value (NAV) / share	USD 87.47
Ref. index	J.P. Morgan ESG EMBI Global Diversified Index
ISIN / WKN / VALOR	LU2145397050 / A2QD0Q / 53629959
Management fee	1.18%
Ongoing charges (incl. Mgmt. fee) as of 28.02.2022	1.38%
Maximum entry / switching / exit fee <sup>1)</sup>	5.00% / 1.00% / 0.30%
Swing pricing	Yes
Distribution policy	reinvesting

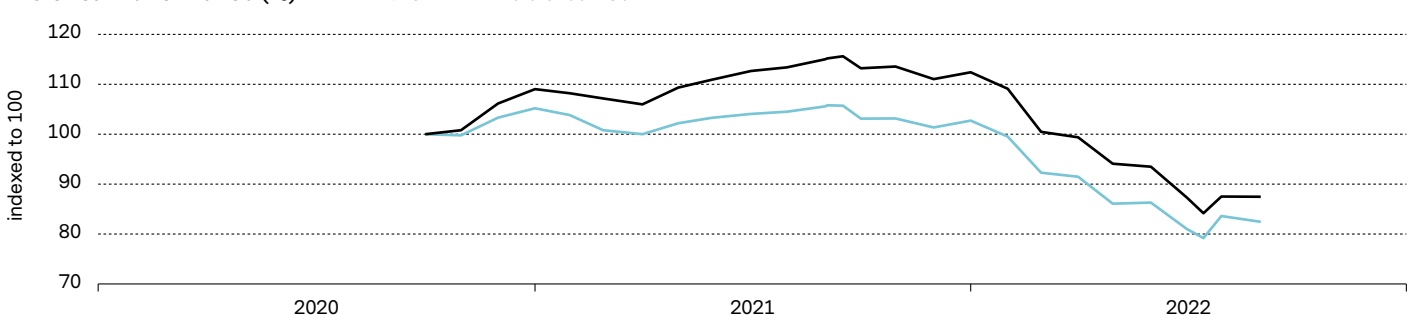
<sup>1)</sup> Refer to fund distributor for actual applicable fees, if any.

### Portfolio Characteristics

	Fund	Ref. index
Volatility, annualized <sup>2)</sup>	10.08%	10.77%
Sharpe ratio <sup>2)</sup>	negative	
Information ratio <sup>2)</sup>	negative	
Modified duration (years)	6.46	7.30
Average Rating	BB	BBB-
Number of positions	102	699
Yield to maturity	9.73%	6.78%
Yield to maturity after hedging to USD	10.59%	6.77%
Yield to worst (YTW)	9.70%	6.77%
Tracking error, ex-post <sup>2)</sup>	3.58%	
Option-adjusted spread, OAS (basis points)	729	357

<sup>2)</sup> calculated over 1 year

### Historical Performance (%)



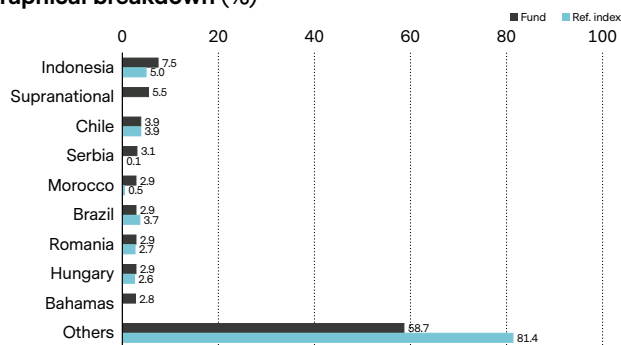
	09.21	09.20	09.19	09.18	09.17	1 m	year to date	2021	2020	2019	3 yrs p.a.	5 yrs p.a.	since inception
Fund	-23.9	n.a.	n.a.	n.a.	n.a.	0.0	-22.2	3.1	9.0	n.a.	n.a.	n.a.	-12.5
Ref. index	-21.9	n.a.	n.a.	n.a.	n.a.	-1.4	-19.7	-2.3	5.2	n.a.	n.a.	n.a.	-17.6

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.e. as a result of currency fluctuations.

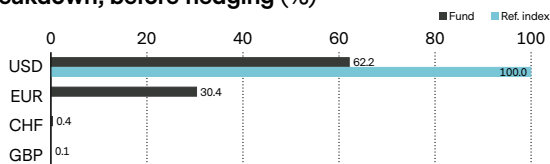
**Major positions (%)**

Banque Ouest Africaine D 4.7% 10/22/2031	2.5
4.45% Saka Energ Indo 05.05.2024 Reg-S Senior	2.4
Republic Of Serbia 3.125% 05/15/2027	2.3
9.875% Maldives 08.04.2026	2.3
Fin Dept Govt Sharjah 4% 07/28/2050	2.2
6.125% Guatemala 01.06.2050 Reg-S Senior	2.0
6.75% Air Baltic Corp 30.07.2024 Senior	2.0
Hungary 4.25% 06/16/2031	2.0
Tengizchevroil Fin Co In 4% 08/15/2026	1.9
6.375% Central Bk Tunisia 15.07.2026 Reg-S Senior	1.8
<b>Total</b>	<b>21.4</b>

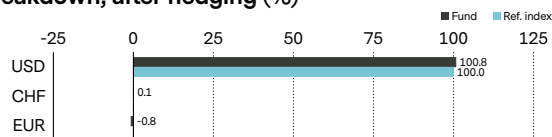
**Geographical breakdown (%)**



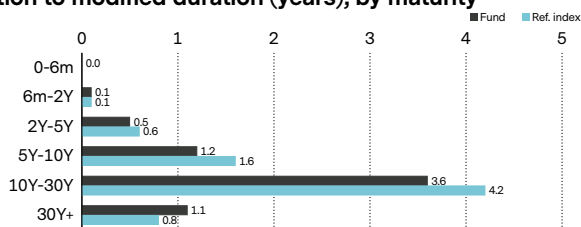
**Currency breakdown, before hedging (%)**



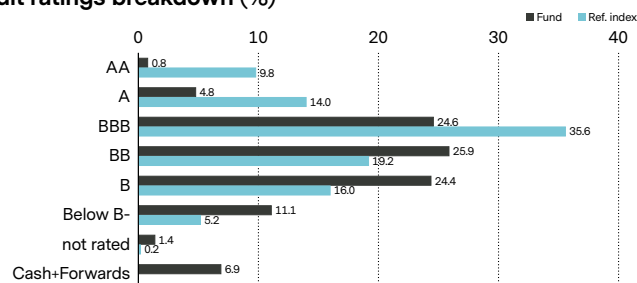
**Currency breakdown, after hedging (%)**



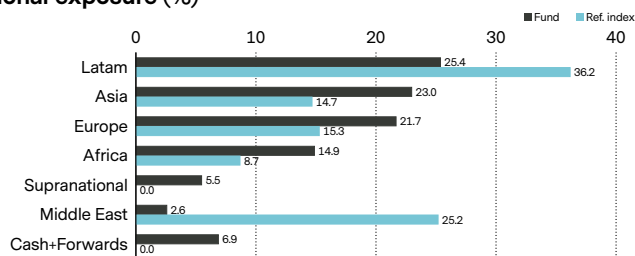
**Contribution to modified duration (years), by maturity**



**Credit ratings breakdown (%)**



**Regional exposure (%)**

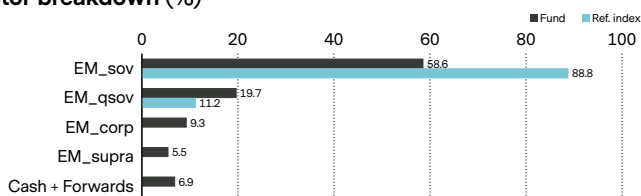


**Major country overweights / underweights (%)**



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. The sustainability risks that the Sub-Fund may be subject to are likely to have an immaterial impact on the value of the Sub-Funds' investments in the medium to long term due to the mitigating nature of the Sub-Fund's ESG approach.
- The Sub-Funds' 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](https://www.vontobel.com/SFDR).

## Glossary

**Derivative** is a financial security whose price is determined based on an underlying benchmark or asset such as stocks, bonds, commodities, currencies, interest rates, or market indexes. Examples are futures, options and credit default swaps. **Distribution policy** of a fund defines the dividend distribution for its share classes to investors. Accumulating share classes reinvest the income received from the fund holdings back into the fund and do not distribute to shareholders. Distributing shares typically make cash payments to shareholders on a periodic basis. **Duration**, or Macaulay Duration, indicates the number of years an investor would need to maintain a position in the bond until the present value of the bond's cash flows equals the amount paid for the bond. The longer the duration, the more a bond's price will be affected by changes in interest rates. Duration may also be used to compare the risk of debt securities with different maturities and yields. **ESG** Environmental, social and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. **Forward**, or forward contract, is an agreement between two parties to buy or sell an asset at a specified price on a future date, and is often used for hedging purposes or commodities trading, where a forward contract can be customized to an amount, delivery date, and commodity type (e.g. food, metals, oil or natural gas). **Future**, or futures contract, is a legal agreement to buy or sell a particular commodity asset, currency or security at a predetermined price at a future point in time. They are standardized contracts in terms of quality and quantity which facilitates trading on a futures exchange. **Hedged share class** is type of share class that hedges currency risks. It protects investors against unwanted currency exchange (FX) fluctuations, which may be larger than underlying investment returns. To achieve this, the share class must cover hedging costs, resulting in a higher total cost to investors. **Hedging** describes the steps taken to offset the risk of a loss or unwanted gain, for example by hedging the risk of foreign currency exposure, an investor can benefit from holding a diverse range of global companies without being exposed to global foreign exchange movements. **Index** is a portfolio that holds a broad range of securities, based on pre-defined rules. Indexes such as the FTSE 100 or DAX 30 are used to represent the performance of particular markets and thus act as a reference point for performance measurement of other portfolios. An index used as reference for performance comparisons, is called a "reference index". **Information ratio** is a measurement of portfolio returns in excess of the reference index per unit of return volatility. It is used to measure a portfolio manager's ability to generate excess returns relative to a reference index. **ISIN** (International Securities Identification Number) is a unique code that identifies a specific financial security. It is assigned by a country's respective national numbering agency (NNA). **Management fee** is a fee which covers the costs charged to a fund relating to portfolio management services and, if applicable, to distribution services. **Maturity** indicates the length of time until the initial investment amount of a bond is due to be repaid. "Average maturity" is calculated on a bond portfolio by weighting each bond's residual maturity by its relative size. **Modified duration** is an adjusted version of Macaulay Duration and measures the percentage change in a bond price as a result of a change in yield. It is used to measure the sensitivity of a bond's cash flows to a change in interest rates and is more commonly used than Macaulay Duration. **Net Asset Value (NAV) / share** also known as the share price of a fund, represents the value per share of the fund. It is calculated by dividing the fund's assets less its liabilities by the number of shares outstanding. For most funds it is calculated and reported daily. **Number of positions** shows the number of single investments/securities in the portfolio of the fund. **Ongoing charges** expresses the sum of the costs of running a fund on an ongoing basis, like the 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. If the available data is insufficient, for example, for newly launched funds, ongoing charges may be estimated using data from funds with similar characteristics. **Option** is a derivative, financial instrument whose price derives from the value of underlying securities, like stocks. Call/put options give buyers the right (but not the obligation) to buy/sell an underlying asset at an agreed price and date. **Option-adjusted spread (OAS)** measures the yield differential between a bond with an embedded option and the risk-free rate of return. It allows comparing prices of bonds with different embedded options. Typically, a larger OAS implies greater returns for greater risks. **Rating**, or credit rating, assesses a bond issuer's ability to repay on time all its debt (interest and principal). High ratings, like AAA or Aaa, indicate low risk (i.e., low probability of default), while ratings such as BBB- or Baa3 indicate a higher risk. **Share class** is a compartment of a fund with a distinct client type, distribution policy, fee structure, currency, minimum investment, or other characteristics. The characteristics of each share class are described in the fund prospectus. **Sharpe ratio** measures excess return per unit of risk. The ratio is the average return earned in excess of the risk-free rate per unit of volatility. A portfolio with a higher Sharpe ratio is considered superior relative to its peers. **SRRI** is a value based on a sub fund's volatility, providing a gauge of the overall risk and reward profile of the sub fund. **Swing pricing** is an industry standard mechanism to protect long term investors in a fund against trading costs occurring when investors enter or exit the fund. This is achieved by adjusting the NAV upwards or downwards respectively so that the additional trading costs caused by subscriptions or redemptions are borne by investors trading in the fund. Full details of the Swing Pricing mechanism are given in the fund prospectus. **Tracking error** is the standard deviation of the difference between the returns of a fund and its reference index, expressed as a percentage. The more actively a fund is managed, the higher the tracking error. **VALOR** is an identification number issued by SIX Financial Information and assigned to financial instruments in Switzerland. **Volatility** measures the fluctuation of a fund's performance over a certain period. It is most commonly expressed using the annualized standard deviation. The higher the volatility, the riskier a fund tends to be. **WKN** (or Wertpapierkennnummer) is an identification code of securities registered in Germany, issued by its Institute for Issuance and Administration of Securities. **Yield to maturity (YTM)** measures the return of the fund if all the bonds in the portfolio of the fund were held to maturity. The ratio is expressed as an annual return in percent. **Yield to maturity after hedging to another currency** provides the yield to maturity in the denominated currency, after adjusting for the hedging costs of all assets denominated in other currencies. **Yield to worst (YTW)** represents the lowest potential annual return of a bond that does not default, for instance, if a bond may be called by the issuer prior to maturity.

## Important information

This marketing document was produced by one or more companies of the Vontobel Group (collectively "Vontobel") for Wholesale/Retail clients for distribution in AT, CH, DE, ES, FR, IT, LU.

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 («KIID»), 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. Furthermore and before entering into an agreement in respect of an investment referred to in this document, you should consult your own professional and/or investment advisers as to its suitability for you.

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.

This fund does not have a designated reference ESG benchmark, but applies a conventional benchmark whose construction does not take into account ESG criteria.

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](https://www.vontobel.com/am). A summary of investor rights is available in English on the following link: [www.vontobel.com/vamsa-investor-information](https://www.vontobel.com/vamsa-investor-information). 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: B. Metzler seel. Sohn & Co. KGaA, Untermainanlage 1, 60311 Frankfurt/Main, 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](mailto:clientrelation@vontobel.it). In Spain, funds authorised for distribution are recorded in the register of foreign collective investment companies maintained by the Spanish CNMV (under number 280). The KIID can be obtained in Spanish from Vontobel Asset Management S.A., Spain Branch, Paseo de la Castellana, 95, Planta 18, E-28046 Madrid or electronically from [atencionalcliente@vontobel.es](mailto:atencionalcliente@vontobel.es). In **Chile** the funds may not be publicly offered, neither as an entity of Vontobel or under registration with the Superintendencia of Securities and Insurance of Chile (Superintendencia de Valores y Seguros, SVS) in accordance with the Securities Act no. 18.045. The offer of the instruments mentioned in this presentation is subject to General Rule No. 336 issued by the 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).

All data contained herein, including fund information, is obtained from or calculated by Vontobel. All data is as at the date of the document unless stated otherwise. 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.

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 [vontobel.com/terms-of-licenses](http://vontobel.com/terms-of-licenses) for more details.

Vontobel Asset Management S.A.  
18, rue Erasme, L-1468 Luxembourg  
Luxembourg

[luxembourg@vontobel.com](mailto:luxembourg@vontobel.com)  
[www.vontobel.com/am](http://www.vontobel.com/am)