

Vontobel Fund - Emerging Markets Corporate Bond AQN

Approved for Wholesale/Retail investors in: CH, GB, LU.

Investment objective

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

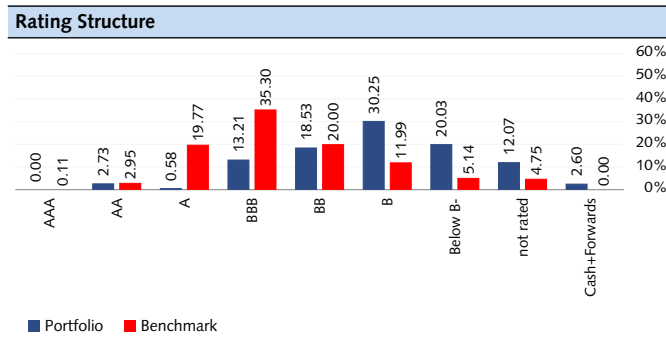
Key features

The fund invests across emerging markets mainly in corporate bonds of diverse qualities with different maturities in various hard currencies. In addition, the fund may have limited exposure to emerging market government bonds in local 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 and event-driven investment opportunities 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.

Fund Data	
Portfolio Manager	Wouter Van Overfelt / Sergey Goncharov
Portfolio Manager location	Zurich
Fund domicile	Luxembourg
Fund currency	USD
Share class currency	USD
Net asset value	101.00
Fund volume in mln	1,323.96 USD
Share class volume in mln	15.79 USD
Management fee	0.550%
TER (per 28/02/2020)	0.82%
Launch date	30/11/2018
Last distribution	0.00 / November
ISIN	LU1914926925

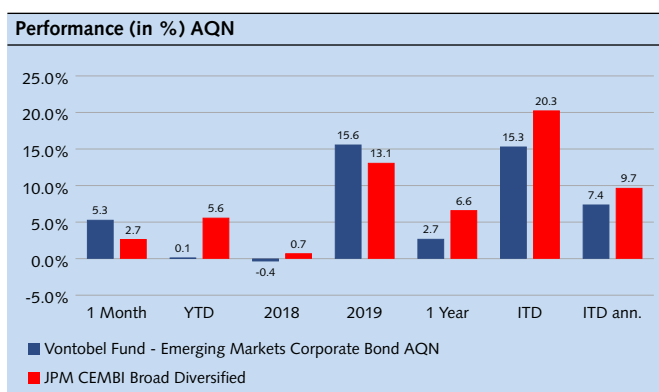


Net Performance of AQN Share (in USD and %)

	1 mth.	YTD	2019	2018	2017	3 y. p.a.	5 y. p.a.	since inception
Fund	5.3	0.1	15.6	-0.4	n.a.	n.a.	n.a.	15.3
Index	2.7	5.6	13.1	0.7	n.a.	n.a.	n.a.	20.3
	12.15 – 11.16	12.16 – 11.17	12.17 – 11.18	12.18 – 11.19	12.19 – 11.20			
Fund	n.a.	n.a.	n.a.	12.3	2.7			
Index	n.a.	n.a.	n.a.	12.8	6.6			

Benchmark: JPM CEMBI Broad Diversified

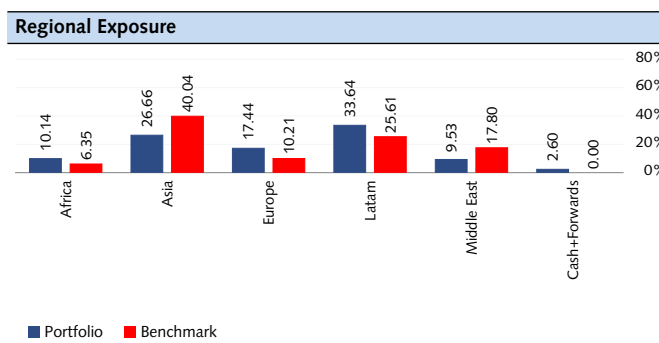
Source: Vontobel Asset Management AG. Past performance is not a guide to current or future performance. The performance data do not take account of the commissions and costs incurred on issue and redemption. The return of the fund can be a result of currency fluctuations rise or fall.



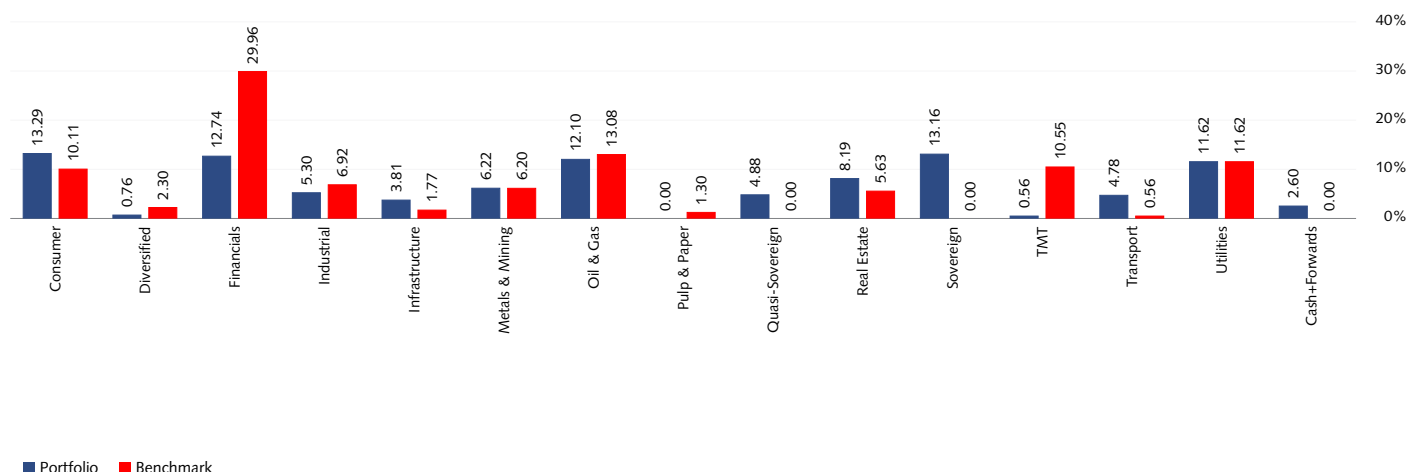
Key Data

	Portfolio	Benchmark
Yield to Maturity (YTM)	20.2	3.9
Modified Duration	4.4	4.6
Volatility*	30.70%	n.a.
Average Rating	B+	BBB-
# of Positions	211	1,709
Active Share (country, issuer, ISIN)	46% / 89% / 95%	

* 1 year



Portfolio Structure



Major bond positions

12% Aragvi Fin Intl 09.04.2024 Reg-S	2.1%
10.705606% Avianca Hold 10.11.2021 FRN Reg-S Senior	2.0%
8.875% Credivalores 27.02.2025 Reg-S Senior	1.9%
7.25% Petra Dmnds US 01.05.2022 Reg-S Senior	1.9%
7.25% Ronesans Gayr 26.04.2023	1.7%
10.75% DTEK Finl 31.12.2024 FRN Reg-S Senior	1.5%
5.75% South Africa 30.09.2049	1.4%
7.5% Eterna Capital 11.12.2022 FRN Reg-S Senior	1.4%
9.5% Andrade Gut 30.12.2024 Reg-S Senior	1.4%
8.875% UNIFIN Fin Open End FRN Reg-S Subordinated	1.3%

Opportunities

- + Broad diversification across numerous securities
- + 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
- + Investments in foreign currencies might generate currency gains
- + Gains through participating in the growth potential of emerging markets are possible

Risks

- Limited participation in the potential of single securities
- 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 foreign currencies are subject to currency fluctuations
- Investments in emerging markets may be affected by political developments, currency fluctuations, illiquidity and volatility

Important legal information:

This marketing document was produced for Wholesale/Retail clients, for distribution in: CH.

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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 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. Money market investments are associated with risks of a money market, such as interest rate fluctuations, inflation risk and economic instability.

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.

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Vontobel Asset Management AG
Telefon +41 (0)58 283 71 50
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.