

Asset Management / Fund Factsheet / 28.05.2021

Vontobel Fund - Emerging Markets Corporate Bond AQN, USD

Marketing document for 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.

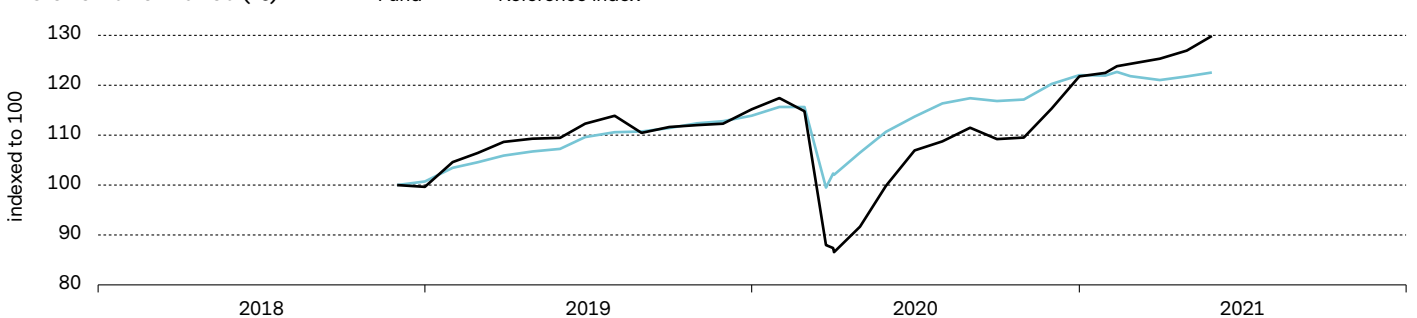
Portfolio management	Wouter Van Overfelt / Sergey Goncharov
Fund domicile, legal structure	Luxembourg, UCITS
Currency of the fund / shareclass	USD / USD
Launch date fund / shareclass	13.11.2015 / 30.11.2018
Net asset value (NAV) / share	USD 110.76
Ref. index	JPM CEMBI Broad Diversified
Fund size	USD 1,920.21 mio
ISIN / VALOR	LU1914926925 / 44988752
Management fee	0.55%
Ongoing charges (incl. Mgmt. fee) as of 28.02.2021	0.81%
Maximum entry / switching / exit fee ¹⁾	5.00% / 1.00% / 0.30%
Distribution policy	distribution, quarterly
Last distribution on 19.03.2021	USD 1.41
Distribution yield	5.82%

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

Portfolio Characteristics	Fund	Ref. index
Volatility, annualized ²⁾	8.32%	n.a.
Sharpe ratio ²⁾	3.60	
Information ratio ²⁾	3.44	
Modified duration (years)	3.99	4.44
Average Rating	B+	BBB-
Number of positions	272	1,981
Yield to maturity	12.69%	3.77%
Yield to worst (YTW)	12.58%	3.34%
Active share (country, issuer, ISIN)	44%, 87%, 93%	
Average coupon	6.79%	4.80%
Tracking error, ex-post ²⁾	5.62%	
Option-adjusted spread, OAS (basis points)	1148	250

²⁾ calculated over 1 year

Historic Performance (%)



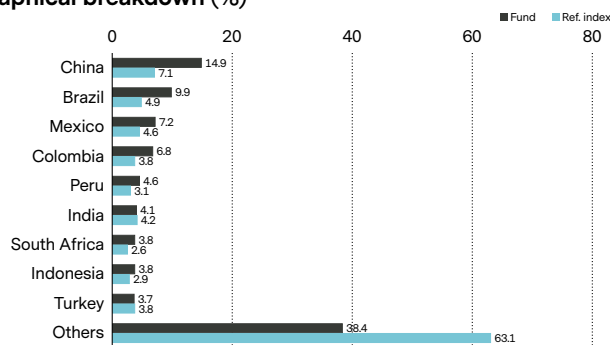
	06.20 - 05.21	06.19 - 05.20	06.18 - 05.19	06.17 - 05.18	06.16 - 05.17	1 m	year to date	2020	2019	2018	3 yrs p.a.	5 yrs p.a.	since inception
Fund	30.1	-8.8	n.a.	n.a.	n.a.	2.3	6.6	5.7	15.6	-0.4	n.a.	n.a.	29.9
Ref. index	10.7	3.2	n.a.	n.a.	n.a.	0.6	0.4	7.1	13.1	0.7	n.a.	n.a.	22.6

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.

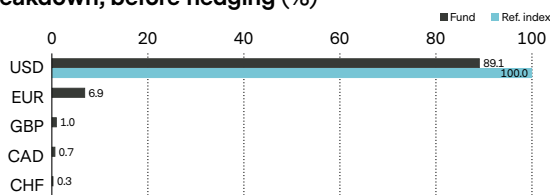
Major positions (%)

6.375% Hunt Oil Peru 01.06.2028 Reg-S Senior	1.9
8.875% Credivalores 27.02.2025 Reg-S Senior	1.6
6.25% Bco Brasil Cayman Open End FRN Reg-S Junior Subordinated	1.6
10.5% Petra Dmnds US 08.03.2026 Senior	1.5
7% DTEK Finl 31.12.2027 Reg-S	1.4
7% Tullow Oil 01.03.2025 Reg-S Senior	1.2
9.5% Andrade Gut 30.12.2024 Reg-S Senior	1.2
8% Eterna Capital 11.12.2022 Senior	1.2
5.625% Petroperu 19.06.2047 Reg-S Senior	1.1
8.25% Fidei Pacifico 15.01.2035 Reg-S Senior	1.1
Total	13.8

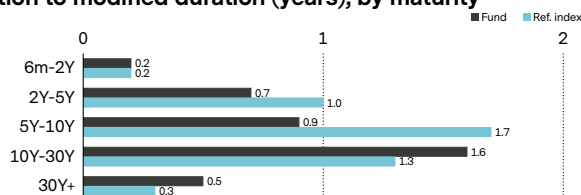
Geographical breakdown (%)



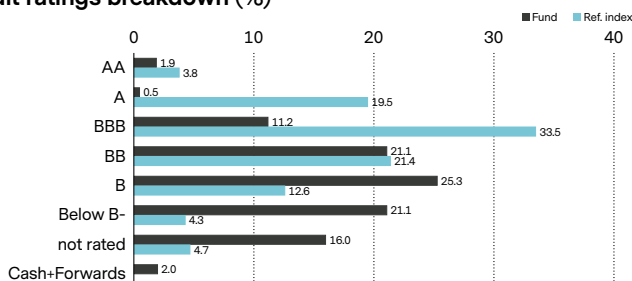
Currency breakdown, before hedging (%)



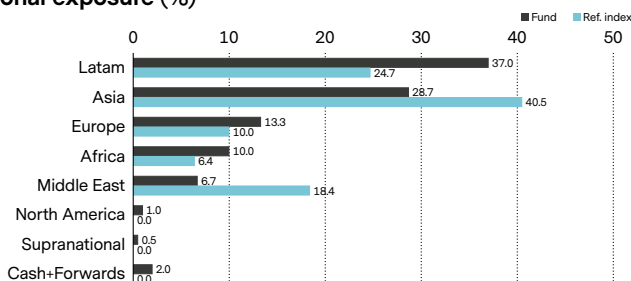
Contribution to modified duration (years), by maturity



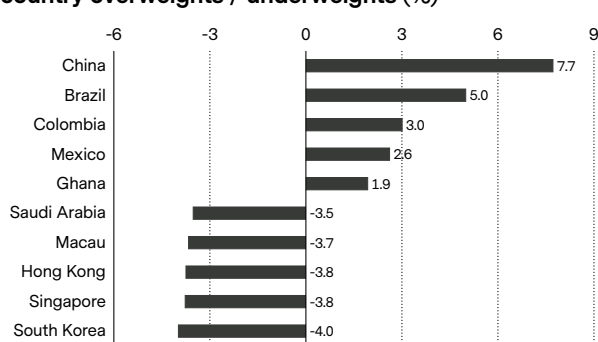
Credit ratings breakdown (%)



Regional exposure (%)

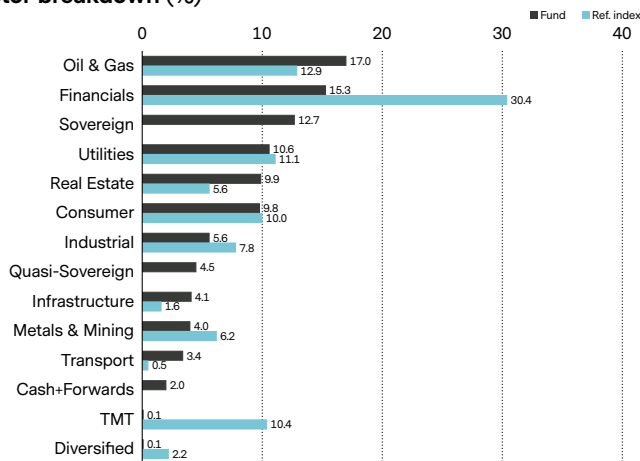


Major country overweights / underweights (%)



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 (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.

Important information

This marketing document is produced for Wholesale/Retail clients for distribution in CH, GB, 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.

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. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities. 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.

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 funds authorised for distribution in the United Kingdom and entered into the FCA's temporary marketing permissions regime can be viewed in the FCA register under the Scheme Reference Number 466625. The fund is authorised 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 authorised as a UCITS while it is in the temporary marketing permissions regime. This information was approved by Vontobel Asset Management SA, London Branch, which has its registered office at 3rd Floor, 70 Conduit Street, London W1S 2GF and is authorised 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 SA, London Branch, on request. The KIID can be obtained in English from Vontobel Asset Management SA, London Branch, 3rd Floor, 70 Conduit Street, London W1S 2GF or downloaded from our website vontobel.com/am. 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 Securities 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 Valores y Seguros 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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