Vontobel

Fund Factsheet / 31.01.2025

Vontobel Fund - Sustainable Emerging Markets Local Currency Bond B, USD

Morningstar Rating as of 31.12.2024 ★★★

Marketing document for retail investors in: AT, CH, DE, ES, FI, IT, LI, LU, NO, PT, SE

Investment objective

This bond fund aims to generate the best possible investment returns over a full economic cycle and seeks to promote environmental or social practices while respecting risk diversification.

Key features

The fund invests across emerging markets mainly in government bonds with different maturities in various local currencies from issuers of diverse qualities that seek to promote environmental or social practices. The fund uses derivative financial instruments both for hedging purposes and to gain selective exposures to interest rates and currencies.

Approach

The compact and agile investment team of experienced specialists defines the investment universe by using a proprietary sustainability model, which filters out sustainable government bond issuers by combining both exclusion and inclusion screenings. To identify investment opportunities generated by country-specific mispricing, the team continuously assesses market conditions and outlook, based on in-depth macro-economic, technical and valuation analyses. Accordingly, they allocate interest rate and currency risks and select those securities and instruments within the investment universe whose yield and/or hedging values convince them the most. The team flexibly adapts the portfolio to seize attractive opportunities whenever they occur.

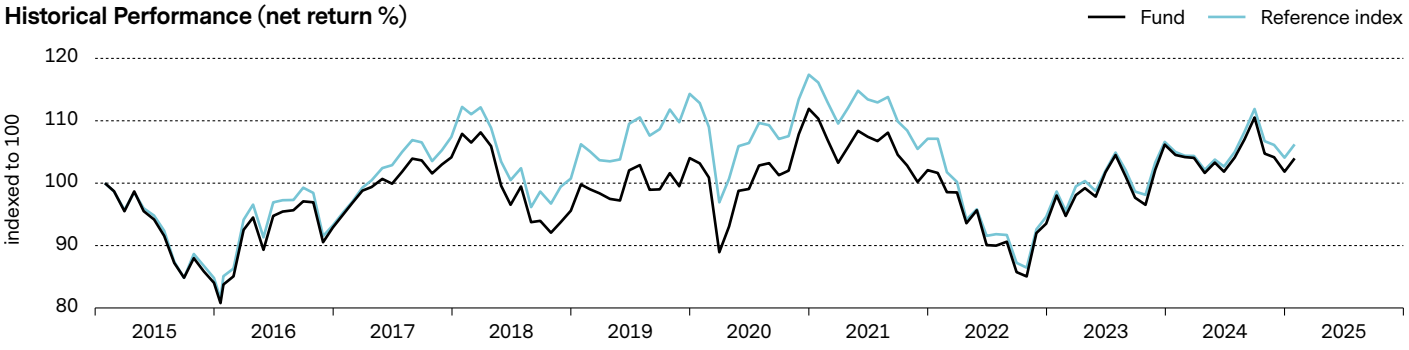
Portfolio management	Thierry Larose / Carl Vermassen
Fund domicile, legal structure, SFDR	Luxembourg, UCITS, Art. 8
Currency of the fund / shareclass	USD / USD
Launch date fund / shareclass	18.01.2011 / 25.01.2011
Fund size	USD 197.78 mio
Net asset value (NAV) / share	USD 97.30
Ref. index	J.P. Morgan GBI-EM Global Diversified Composite USD
ISIN / WKN / VALOR	LU0563307718 / A1H45N / 12061801
Management fee	1.20%
Ongoing charges (incl. Mgmt. fee) as of 30.08.2024	1.56%
Maximum entry / switching / exit fee [1]	5.00% / 1.00% / 0.30%
Swing pricing	Yes
Distribution policy	reinvesting

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

Portfolio Characteristics	Fund	Ref. index
Volatility, annualized [2]	11.40%	10.91%
Sharpe ratio [2]	negative	
Information ratio [2]	0.45	
Modified duration (years)	4.71	5.26
Average Rating	A-	BBB+
Number of positions	51	400
Yield to maturity	8.80%	6.88%
Tracking error, ex-post [2]	2.29%	

[2] calculated over 3 years

Historical Performance (net return %)



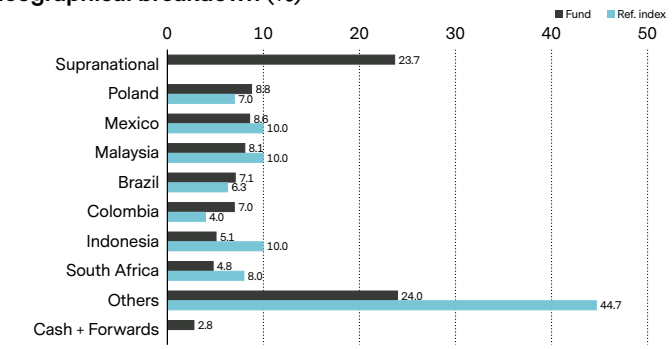
	1 m	year to date	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	3 yrs p.a.	5 yrs p.a.	since inception
Fund	2.1	2.1	-4.1	13.5	-8.4	-8.8	7.6	8.8	-8.2	12.1	10.6	-15.6	0.8	0.2	-2.7
Ref. index	2.1	2.1	-2.4	12.7	-11.7	-8.7	2.7	13.5	-6.2	15.2	9.9	-14.9	-0.3	-1.2	5.8

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

Major positions (%)

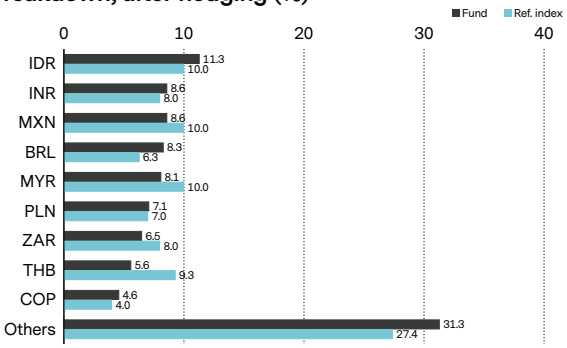
7% Inter-Am Dev Bk 17.04.2033 Senior	5.9
1.75% Poland 25.04.2032 Senior	4.9
3.828% Malaysia 05.07.2034 Senior	4.6
9.85% Colombia 28.06.2027 Senior	4.4
10.25% Asian Develop Bank 25.09.2028 Senior	3.7
3.885% Malaysia 15.08.2029 Senior	3.5
7.75% United Mex States 29.05.2031 Senior	3.4
4.9% Czech Republic 14.04.2034 Senior	3.2
10% Brazil Treasury Notes 01.01.2029 Senior	3.2
5.35% IBRD 09.02.2029 Senior	3.2
Total	**40.0**

Geographical breakdown (%)

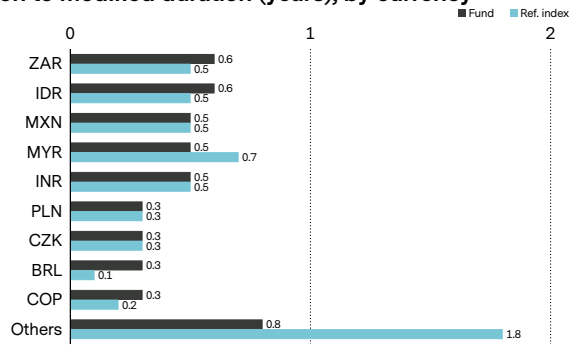


The fund may enter into interest rate derivatives, that may impact the risk and return profile of the fund. Such investments are not shown in the chart.

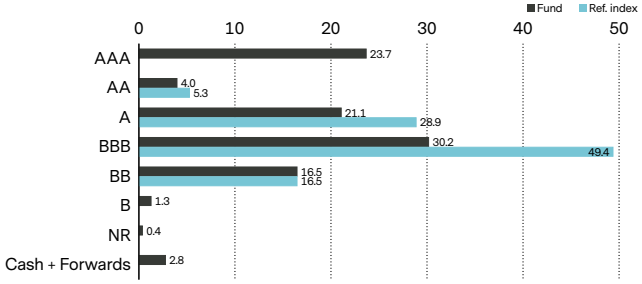
Currency breakdown, after hedging (%)



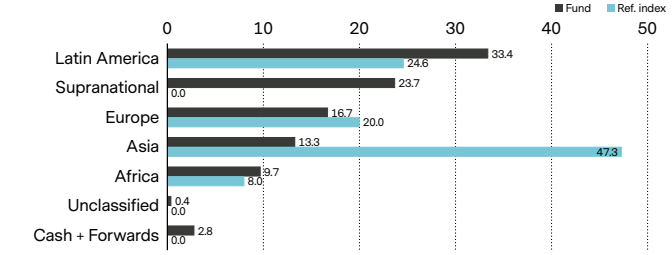
Contribution to modified duration (years), by currency



Credit ratings breakdown (%)



Regional exposure (%)



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Exclusion of Economic Activities[3)]

- Adult entertainment
- Alcohol
- Norm based exclusions
- Coal
- Gas
- Oil
- Other fossil fuels
- Gambling
- Nuclear weapons
- Tobacco
- Conventional weapons
- Unconvent. / controv. weapons

[3)] Thresholds may apply. Please see vontobel.com/sfdr and each fund's website for further details.

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.

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. **Environmental, social and governance** (**ESG**) criteria are a set of metrics or ratings that are used to screen potential investments for issues that might affect the financial performance and/or have a material impact on environment and society. ESG metrics reported in this document are for informative purposes and may not be part of the fund's investment process. **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. **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. **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 bonds 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. **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. **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 Wertpapierkennummer) 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.

Important information

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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.

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