

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Vontobel Fund II - Megatrends

Legal entity identifier:
222100SVUS66GC1A1O71

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective:** ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective:** ___%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by the Sub-Fund were met.

The Sub-Fund promoted environmental and social characteristics and invested in issuers that the Investment Manager considers well-prepared to handle financially material environmental and social challenges. Issuers were selected based on the Investment Manager's ESG framework.

The Sub-Fund has not designated a reference benchmark for the purpose of attaining the environmental and social characteristics that it promotes.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

Sustainability Indicator	Description	Value	Comment
Percentage of investments in securities of corporate issuers that derive a non-negligible part of their revenues from products and/or activities excluded by the Sub-Fund	More information about the products and activities excluded by the Sub-Fund can be found in the precontractual disclosures.	0%	The exclusion approach defined in the investment strategy allows the Sub-Fund to apply exceptions for companies that have a climate transition strategy. 1.29% of the net assets (Nextera Energy and RWE) were on the Investment Manager's exception list.
Percentage of investments in securities of corporate issuers that pass the minimum ESG rating that has been set for this Sub-Fund	The minimum MSCI ESG rating was set at B.	99.1%	0.90% of investments was not rated by MSCI ESG
Percentage of investments in issuers that are in violation of certain international norms and standards promoted by the Sub-Fund or that are exposed to severe controversies.	Such controversies may be related to environmental, social or governance issues.	0%	
Percentage of securities covered by ESG analysis		99.1%	0.90% of investments was not rated by MSCI ESG

... and compared to previous periods ?

Sustainability Indicator	year ending on March 31, 2022
Percentage of investments in securities of corporate issuers that derive a non-negligible part of their revenues from products and/or activities excluded by the Sub-Fund	N/A

Sustainability Indicator	year ending on March 31, 2022
Percentage of investments in securities of corporate issuers that pass the minimum ESG rating that has been set for this Sub-Fund	N/A
Percentage of investments in issuers that are in violation of certain international norms and standards promoted by the Sub-Fund or that are exposed to severe controversies.	N/A
Percentage of securities covered by ESG analysis	N/A

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

Not applicable.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Not applicable.

- *How were the indicators for adverse impacts on sustainability factors taken into account?*

Not applicable.

- *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Manager considered a set of principal adverse impacts on sustainability factors in the following areas: **controversial weapons** (Table 1 - PAI indicator 14 share of investments involved in controversial weapons), **social matters and human rights** (Table 1 - PAI indicator 10 share of companies involved in violation of UN Global Compact Principles and OECD Guidelines For Multinational Enterprises).

The Investment Manager followed a process to identify issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research and/or external data sources including ESG data providers, news alerts, and the issuers themselves.

During the reporting period, no holding was identified as having a critical and poorly managed impact in one of the considered principal adverse impacts areas.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: March 31, 2023

Largest investments	Sector	% Assets	Country
Trimble Navigation	Electronics & semiconductors	1.29	United States
Deere & Co	Mechanical engineering & industrial equip.	1.16	United States
Veolia Environnement	Energy & water supply	1.15	France
Keysight Technologies	Electrical appliances & components	1.08	United States
Thermo Fisher Scientific	Electronics & semiconductors	1.07	United States
Advanced Micro Devices	Electronics & semiconductors	0.97	United States
GXO Logistics	Traffic & Transportation	0.94	United States
Nvidia	Electronics & semiconductors	0.93	United States
Albemarle	Chemicals	0.91	United States
Amazon.com	Retail trade & department stores	0.91	United States
Zebra Technologies	Electronics & semiconductors	0.84	United States
Microsoft	Internet, software & IT services	0.84	United States
Danaher	Mechanical engineering & industrial equip.	0.83	United States
Uber	Internet, software & IT services	0.83	United States
Darling Ingredients	Energy & water supply	0.82	United States

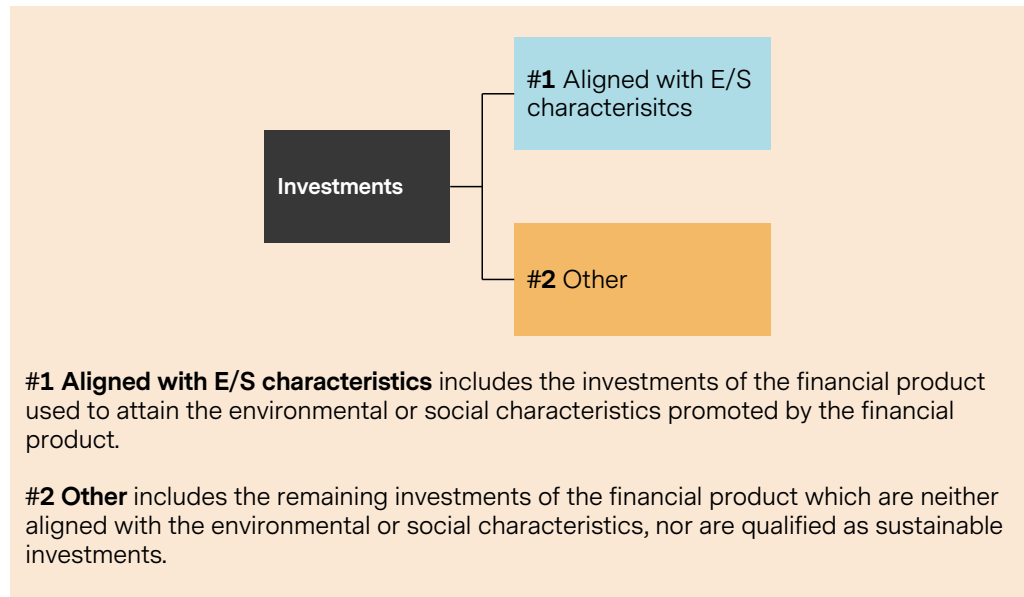


What was the proportion of sustainability-related investments?

The proportion of sustainability-related investments was 96.20% (assets aligned with environmental and social characteristics).

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



96.20% of the investments of the financial product were used to attain the environmental and social characteristics (#1 Aligned with E/S characteristics). 3.80% were #2 Other investments consisting of cash and investments not rated by MSCI ESG

In which economic sectors were the investments made?

Economic sector
Industrials: 24.42%
Information Technology: 20.92%
Health Care: 12.33%
Consumer Discretionary: 10.57%
Materials: 7.38%
Consumer Staples: 5.40%
Utilities: 4.67%
Financials: 4.12%
Communication Services: 3.68%
Energy: 2.43% (including 2.43% in "Oil, Gas & Consumable Fuels")
Real Estate: 1.51%



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

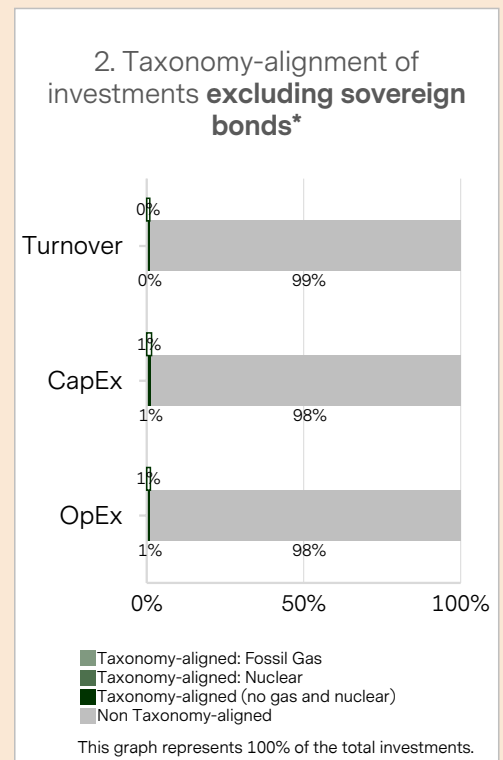
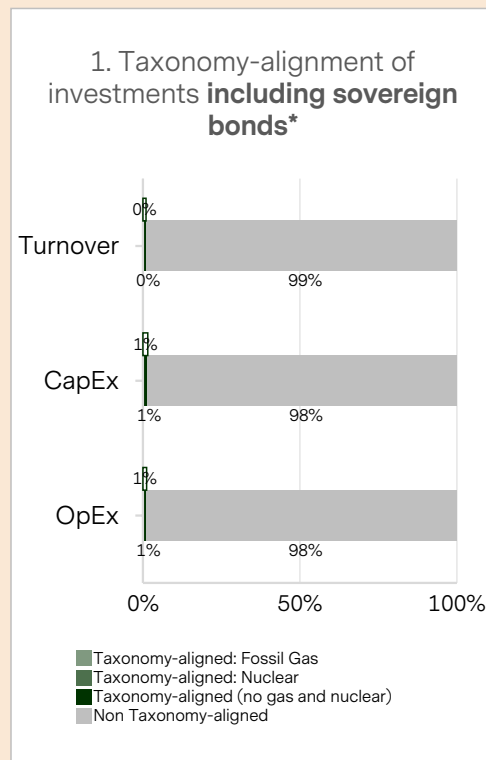
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

- Yes:
- In fossil gas In nuclear energy
- No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance

What was the share of investments made in transitional and enabling activities?

Activities	Investment share
transitional	0.00%
enabling	0.35%

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Period	Investment share
N/A	0.00%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Investment share
0.00%



What was the share of socially sustainable investments?

Investment share
0.00%



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Investments	Purpose	Minimum of environmental or social safeguards
Investments not rated by MSCI ESG (0.90%)	Diversification	No minimum environmental or social safeguards were applied
Cash (2.90%)	Liquidity management	No minimum environmental or social safeguards were applied



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The binding elements of the investment strategy used for the selection of the investments to attain the environmental and/or social characteristics promoted by this Sub-Fund have been monitored throughout the reporting period.

During the reporting period, the Sub-Fund invested 1.29% of its net assets in securities of corporate issuers that were on the Investment Manager's exception list.

An exception list can be maintained for companies that exceed the given revenue threshold in thermal coal and/or nuclear energy. These companies are investable if they have a specific climate transition strategy in the next one to three decades in place, such as quantitative Co2 emission reduction or net zero targets via increase of capital expenditures and production capacity in alternative energy in the next one to three decades and additionally have exit strategies from thermal coal and/or nuclear energy in place or their revenue share in these two areas decreases.

The two companies were Nextera Energy and RWE. Nextera Energy has a nuclear exposure exceeding the 10% revenue threshold (i.e. 15.44%) but is a leading producer of renewable energy from wind and solar with the goal to eliminate all scope 1 and scope 2 carbon emissions across Nextera Energy's operations by no later than 2045 (Source: Nextera Energy). RWE has a thermal coal exposure exceeding the 10% revenue threshold (i.e. 17%). The rationale for making an exception in this case is that RWE is a leader in renewable energy with a clear ambition to be carbon neutral by 2040 with SBTi approved emission targets.



How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The financial product has not designated a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.