

Roundtables

Frank Häusler
Chief Strategist



→ Arrivals

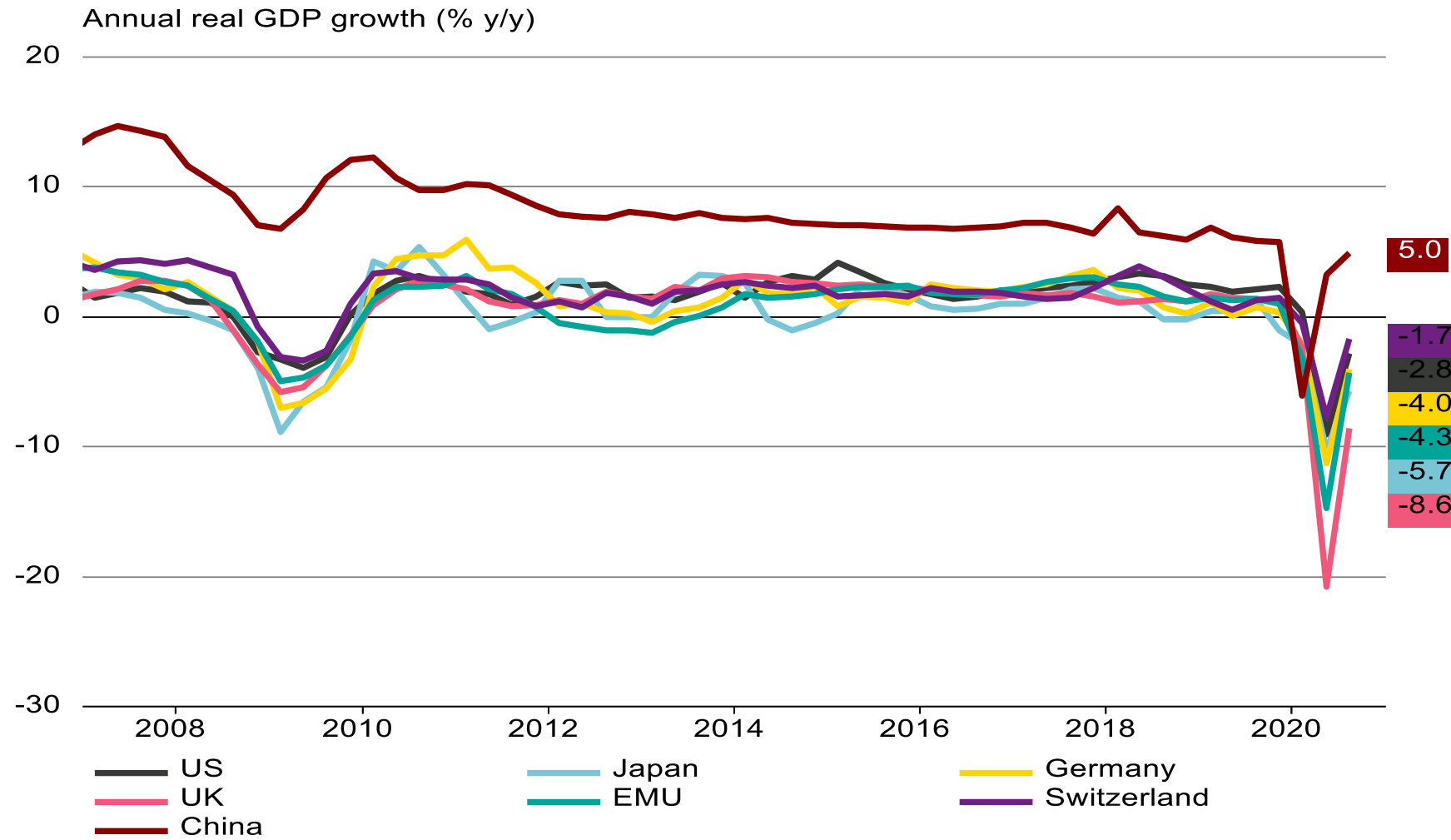


**Where Have
We Come From?**

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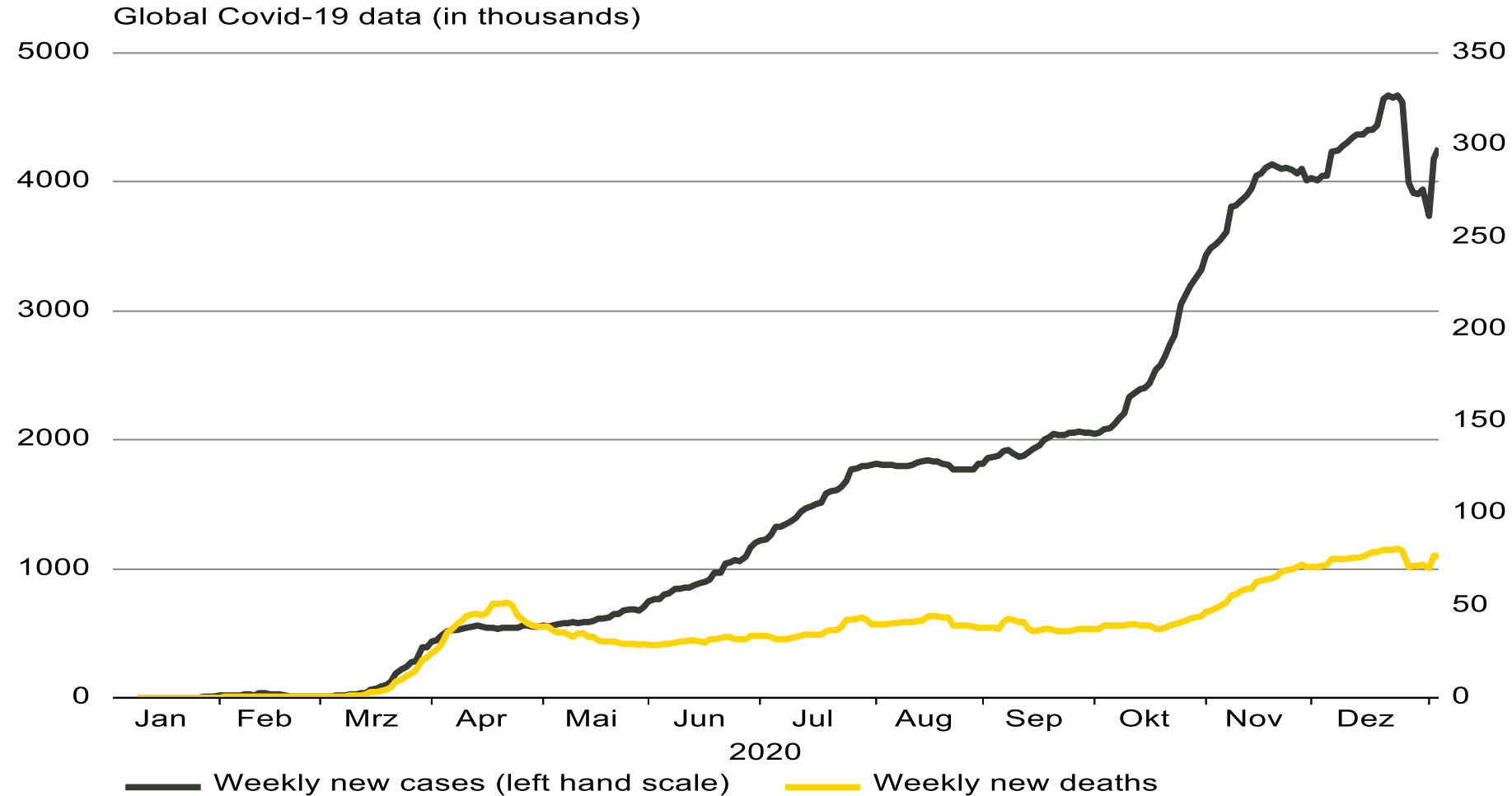
Global Overview: Growth in 2020

Despite the strong rebound in Q3 2020, GDP levels are still weak...



The Key Risk of 2020 Remains the One for 2021: Covid-19

The global spread of Covid-19 and the resulting lockdowns were the key economic drivers in 2020

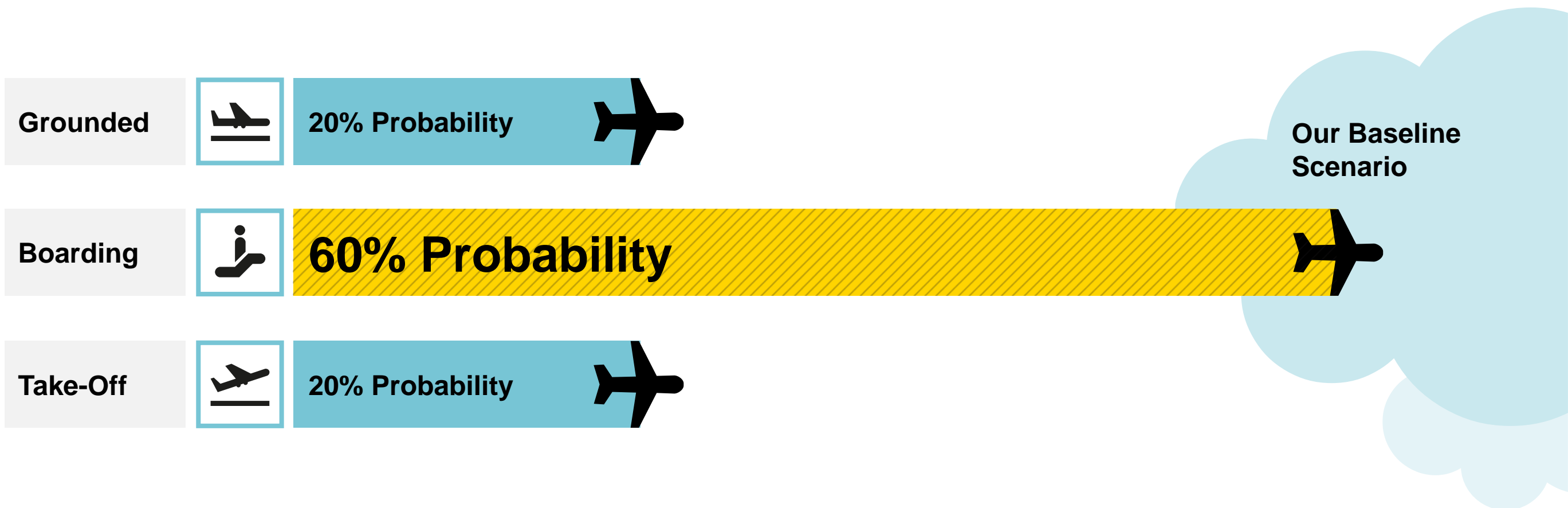


A low-angle shot of an air traffic control tower, showing its distinctive diamond-patterned facade and glass-enclosed observation deck. The tower is set against a bright blue sky with scattered white clouds. The sun is visible as a bright, overexposed area in the upper left, creating a lens flare effect.

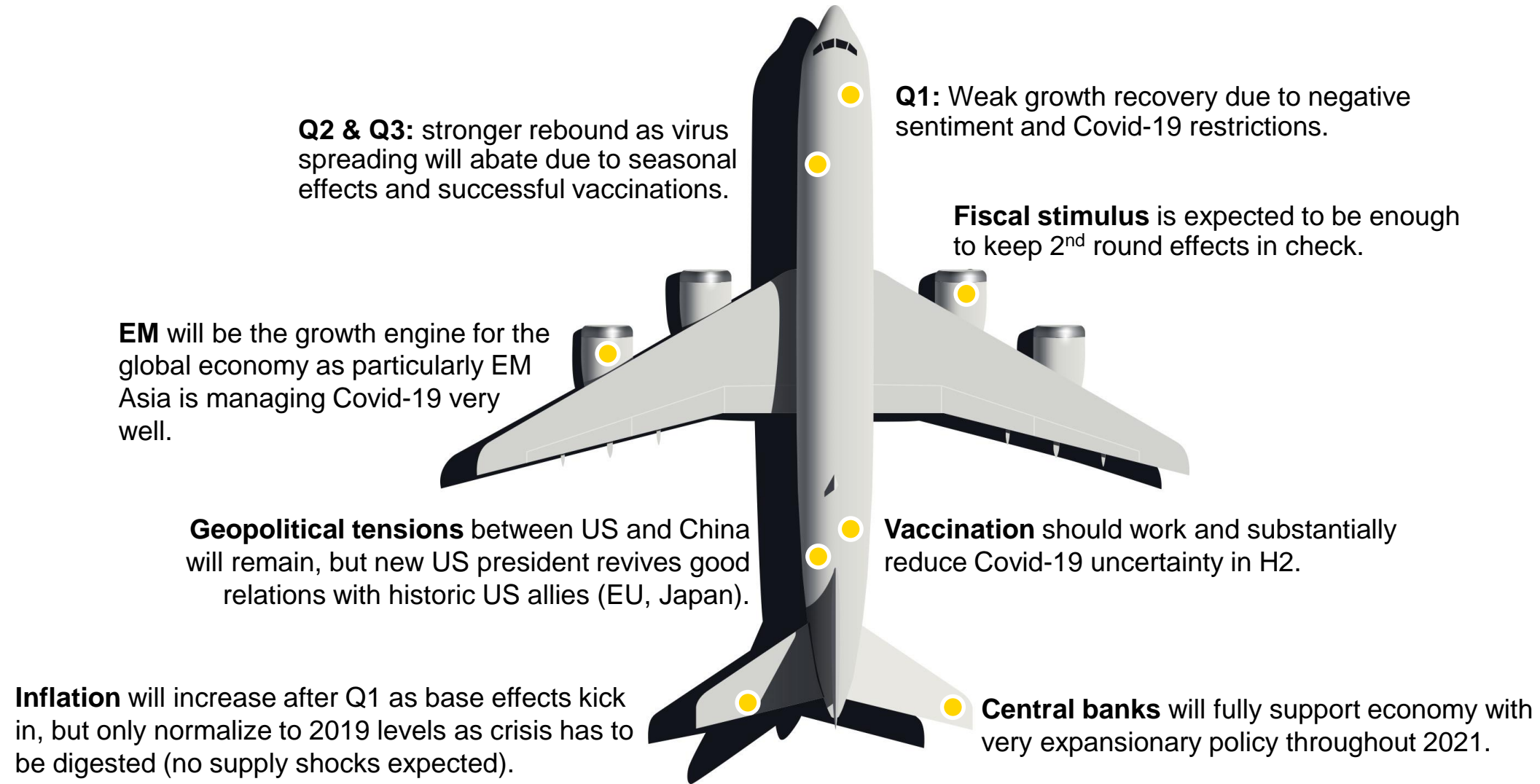
What Will Next Year Look Like? Our Scenarios for 2021

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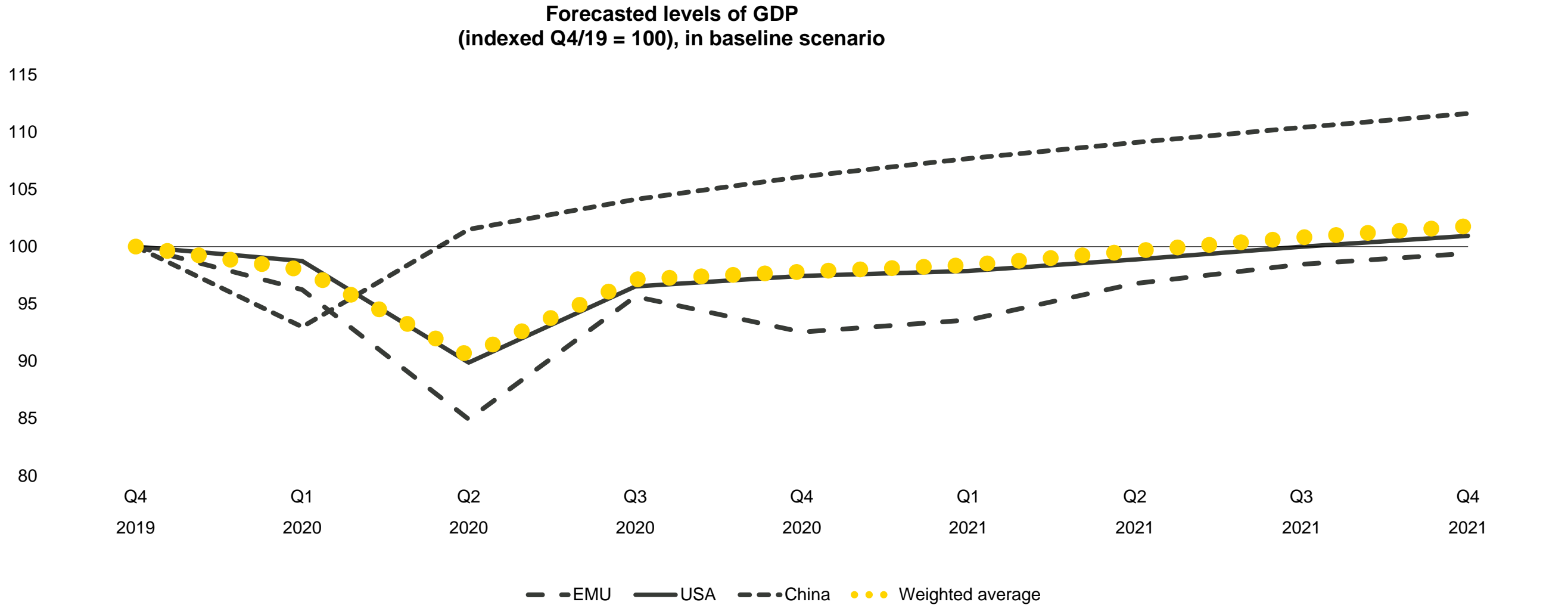
Our 2021 Economic Scenarios



Our Baseline Boarding Scenario for 2021

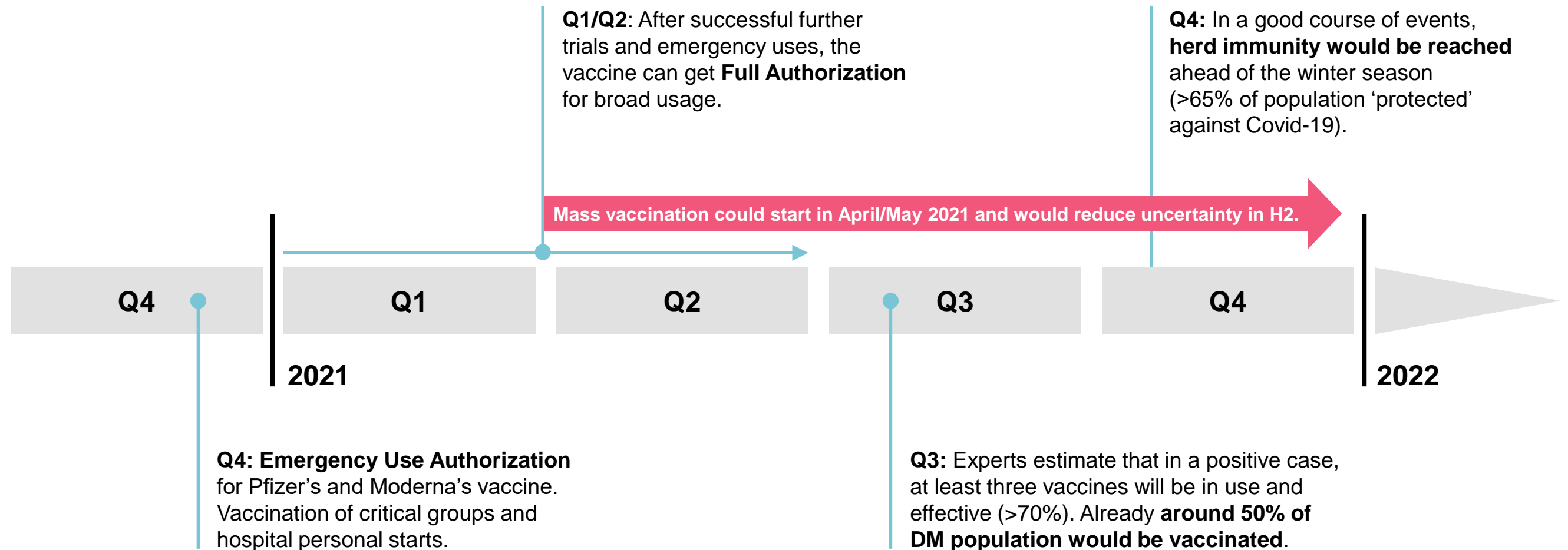


Baseline Boarding Scenario Forecast GDP



Baseline Boarding Scenario: What Would a Successful Vaccination Path Look Like?

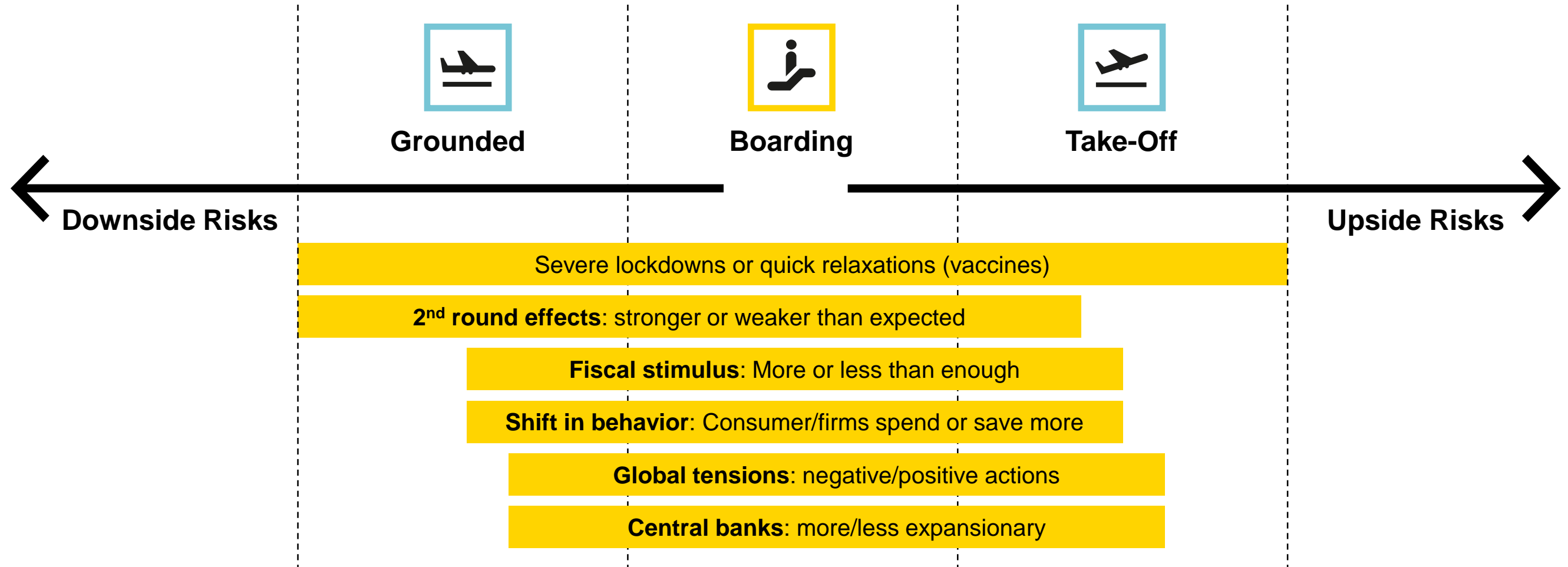
Still some hurdles to take until a first vaccine can be used widely*



*Note: The stated numbers are a compilation of information and estimates from various sources. There is no guarantee that vaccination for Covid-19 will proceed as stated above.
Source: Governmental health institutes (US, EU, UK), vaccine producer's home pages, media outlets, Vontobel.

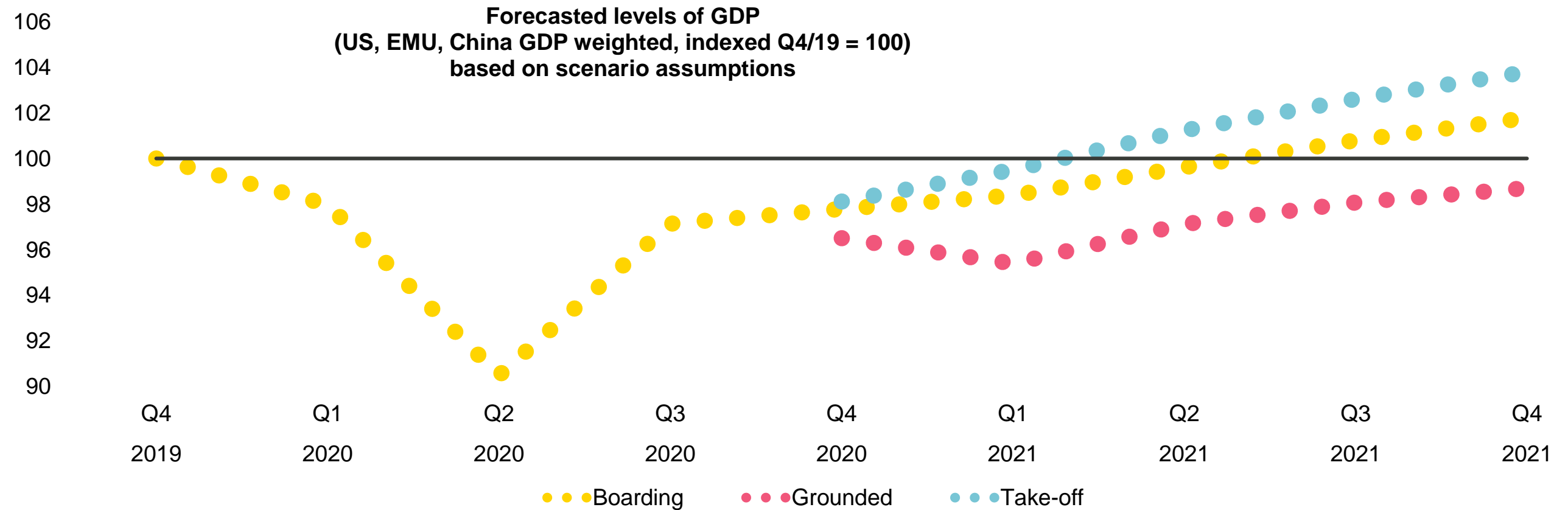
Our 2021 Economic Scenarios: Key Risks

Important risks that could push us in alternative growth scenarios

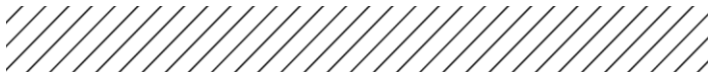
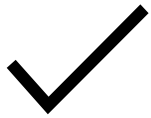


Our 2021 Economic Scenarios: GDP Level Comparison

Baseline and positive scenario are close – negative scenario would be a real game-changer in 2021

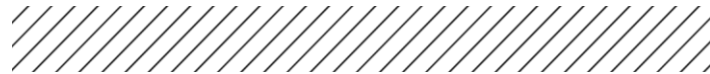


Baseline Boarding Scenario: How to Position



Equities

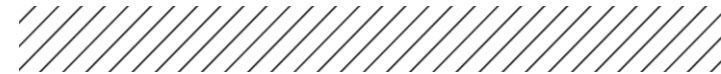
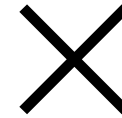
The 'boarding' scenario would be overall positive for equities.



Other Assets

Our baseline scenario speaks for:

- a neutral stance on Gold
- a stronger Euro (cyclical currencies) and a weaker US Dollar



Bonds

On the other hand, 'boarding' would be overall negative for bonds.




A low-angle shot of a red metal radio tower against a clear blue sky. The tower has a large, white and red parabolic antenna mounted on it. The structure is complex with many cross-braces and a platform. The antenna is pointed towards the right.

What Does 2021 Hold in Store for Us?

For qualified investors only / not for public viewing or distribution



Routes to Success in 2021

-  **GATE 1**  **THE WORLD GETS VACCINATED**
-  **GATE 2**  **EMERGING MARKETS AS GROWTH ENGINE**
-  **GATE 3**  **THE NEW NORMAL IS THE OLD NORMAL**
-  **GATE 4**  **GOVERNMENTS ARE GOING GREEN**



GATE 1

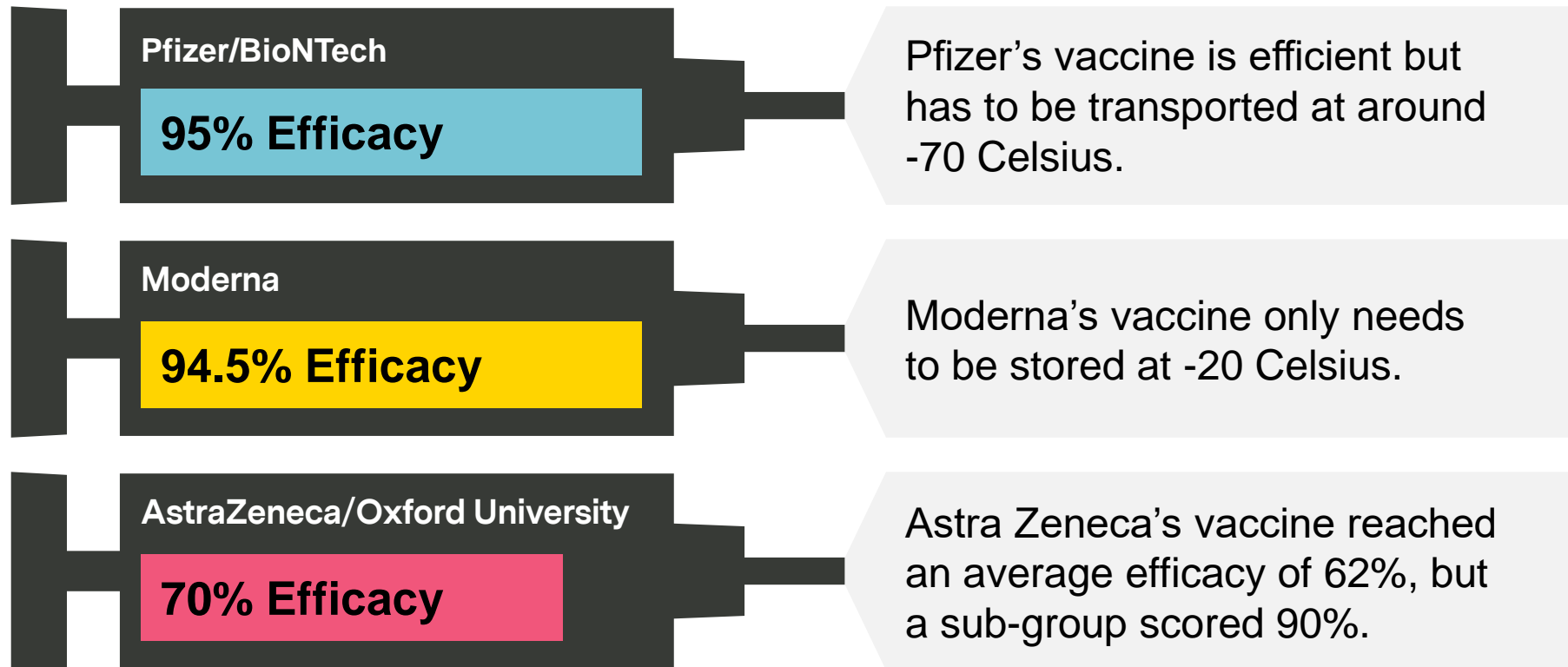


THE WORLD GETS VACCINATED

A successful Covid-19 vaccine roll-out will reduce uncertainty around the globe and kick-start the new normal.

The World Gets Vaccinated: Where Do We Currently Stand?

There are three promising candidates so far

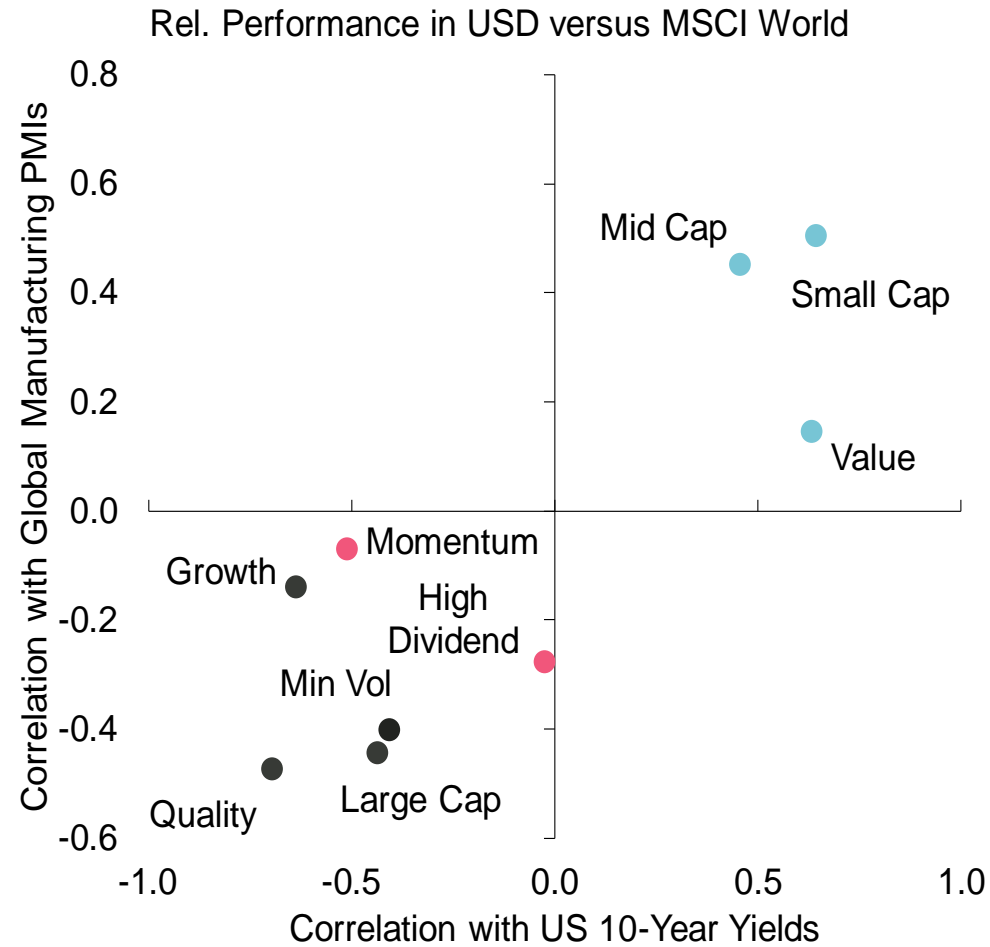


And other vaccines are in the pipeline

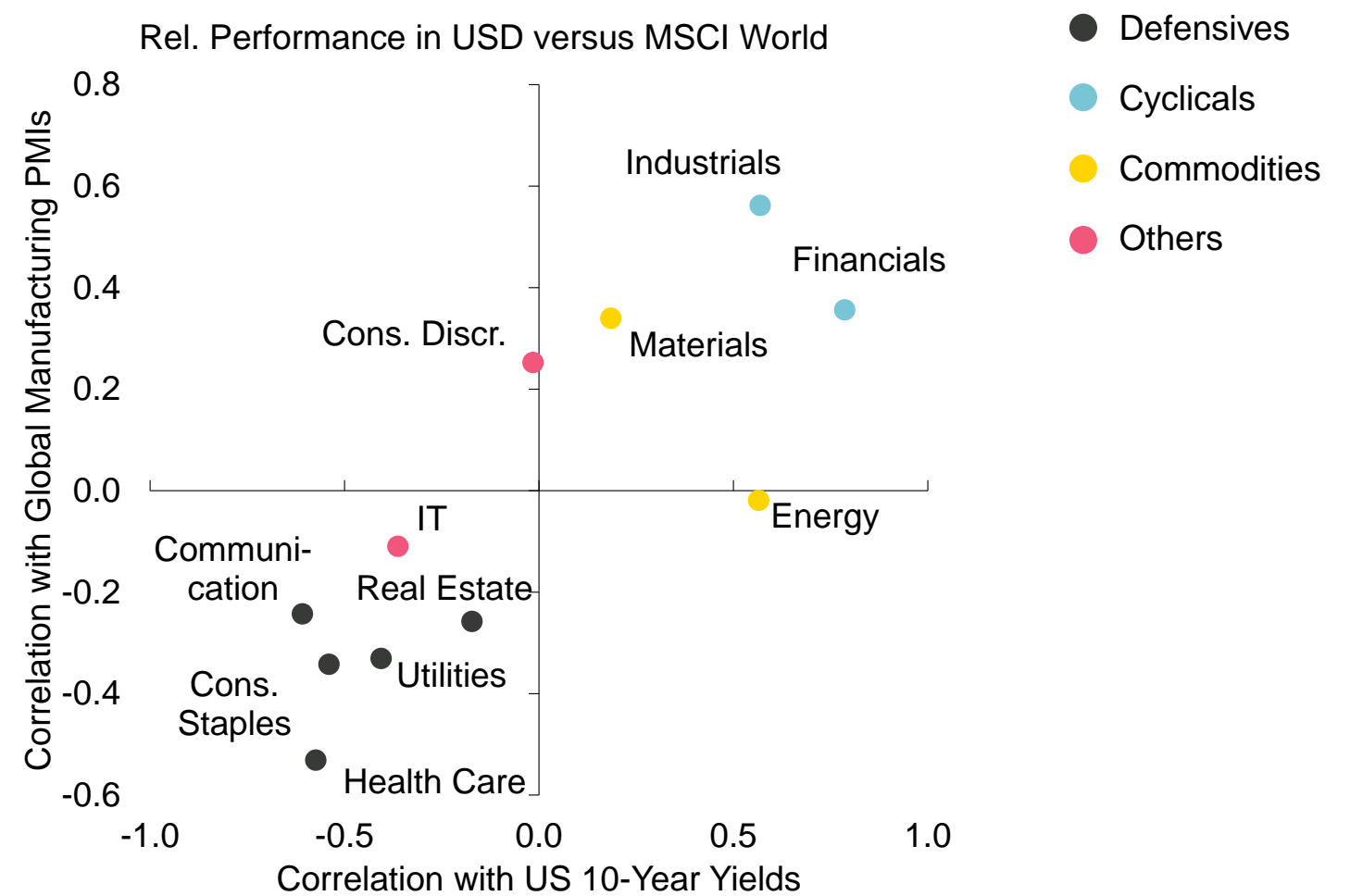
Market participants also expect Novavax's and Johnson & Johnson's vaccine to be ready for emergency approval in Q1/21.

Equities – Don't Be Short of Cyclical Exposure

Playing the *size* factor is an alternative to *value*



Materials & industrials profit from more growth



















GATE 2



EMERGING MARKETS AS GROWTH ENGINE

We expect emerging markets to drive the economic recovery, predominantly powered by Asian countries such as China.

Our 10 Reasons Why EM Stocks are Now the Place to Be

	Catalyst	1	Donald Trump is history!	
		2	Asia handled the Covid-19 crisis much better.	
		3	Chinese stimulus helps EM equities the most.	
	Cyclical Reasons	4	EM economies are in the best shape.	
		5	EM countries became much more resilient.	
		6	US dollar will depreciate from here.	
	Equity-Specific Reasons	7	EM stocks are cheap.	
		8	Structural growth stories are waiting for you!	
		9	Analysts upgrade EM equity earnings forecasts.	
	Long Term	10	You don't miss the long-term return potential.	



GATE 3

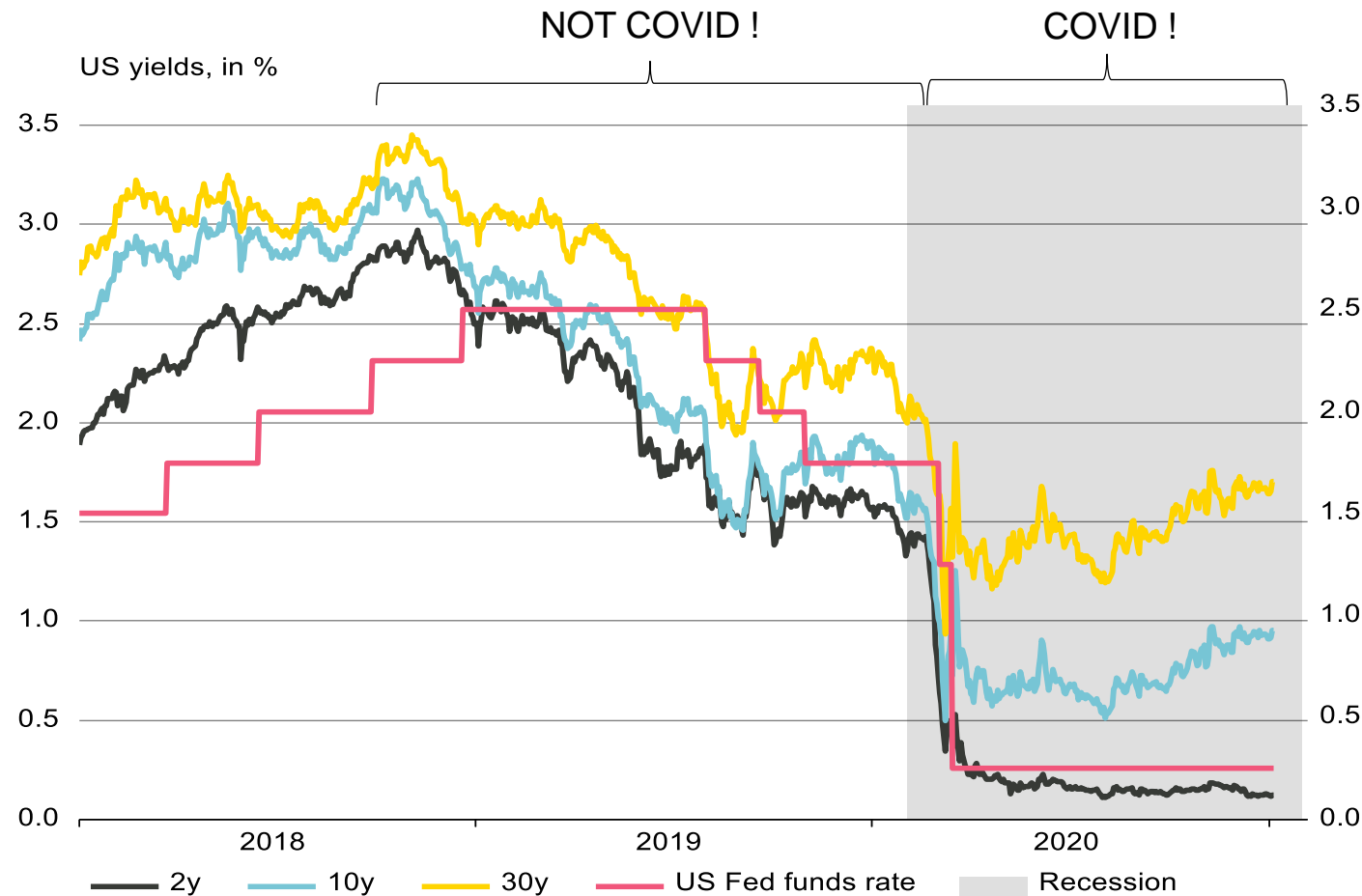


THE NEW NORMAL IS THE OLD NORMAL

Many structural forces which were already at play –
low-growth environment, low rates and inflation – will continue.

Megatrends Will Have a Significant Impact on Our Life for Decades

The “lower for longer” mantra was valid before Covid-19, and will remain intact afterwards



Surge in yield unlikely in 2021

Most of the current market expectations for higher yields come from expectations of a vaccine-led recovery.

While we can expect activity to gradually pick up, yields are prone to remain low as:

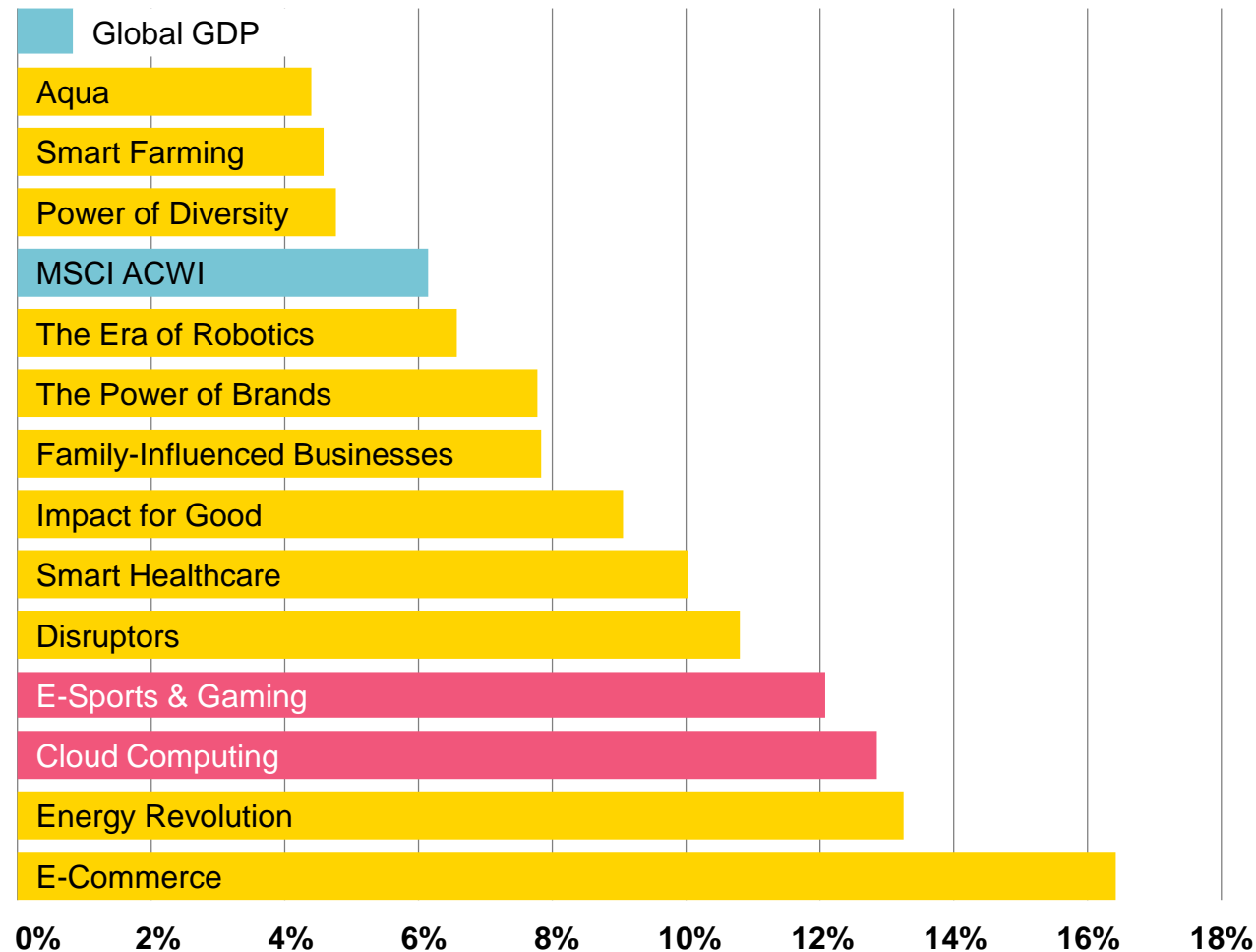
- 1) The Federal Reserve will not exit easing any time soon.
- 2) Structural low yield environment is here to stay.
- 3) Inflation is not an issue (and will not be next year).

Focus on Megatrends:

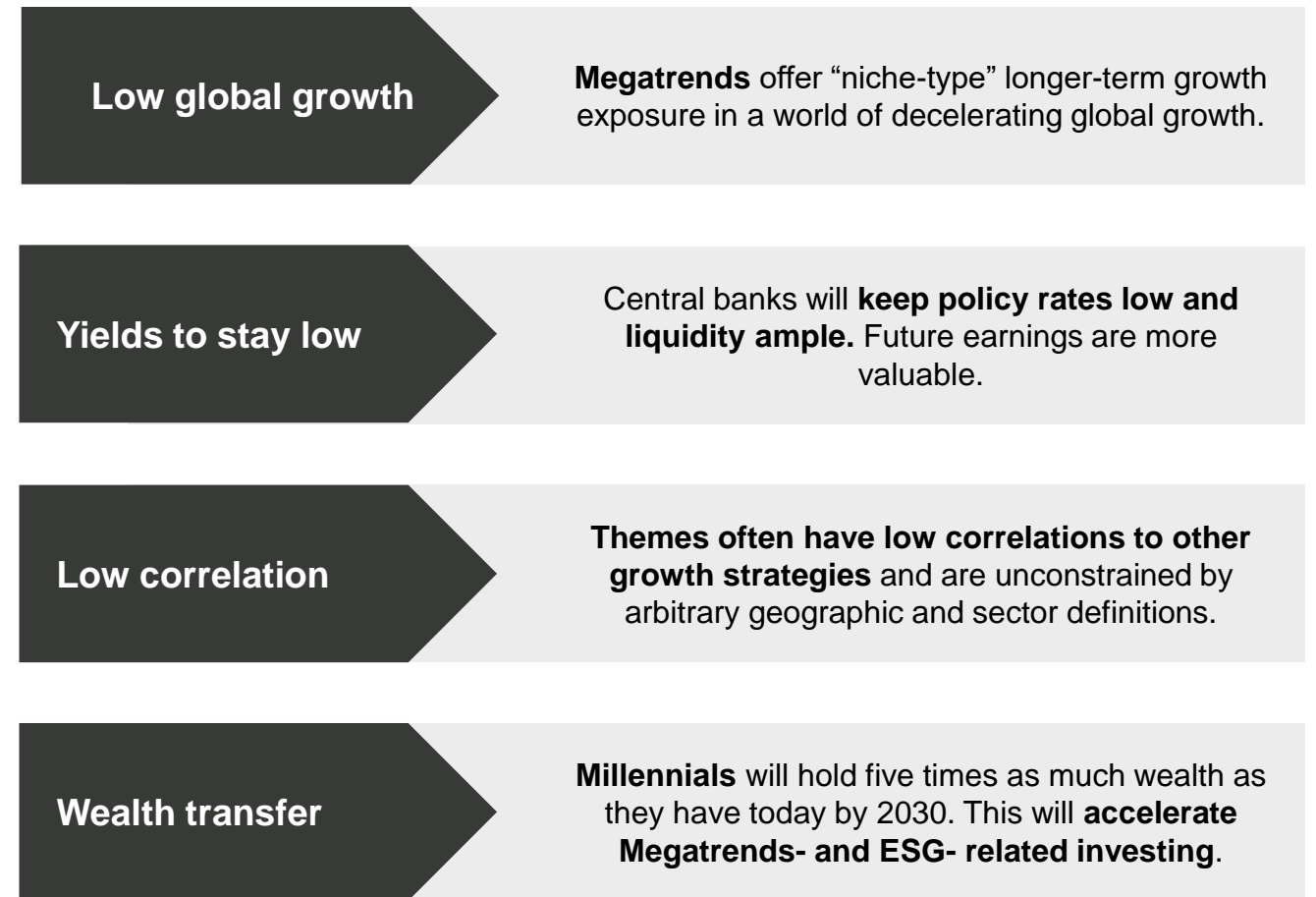
structural changes that arise from demographic, environmental, behavioral and socio-economic developments.

Finding Opportunities in a Low-Growth Environment

Megatrends offer growth potential far in excess of traditional exposures



Supportive factors for thematic investing



*Expected annual sales growth of companies within selected Megatrends themes vs. global GDP growth (2020-2022e CAGR).



GATE 4



GOVERNMENTS ARE GOING GREEN

Covid-19 presents an opportunity to accelerate the shift towards a green future. We expect governments to not only provide regular fiscal support packages, but also green ones.

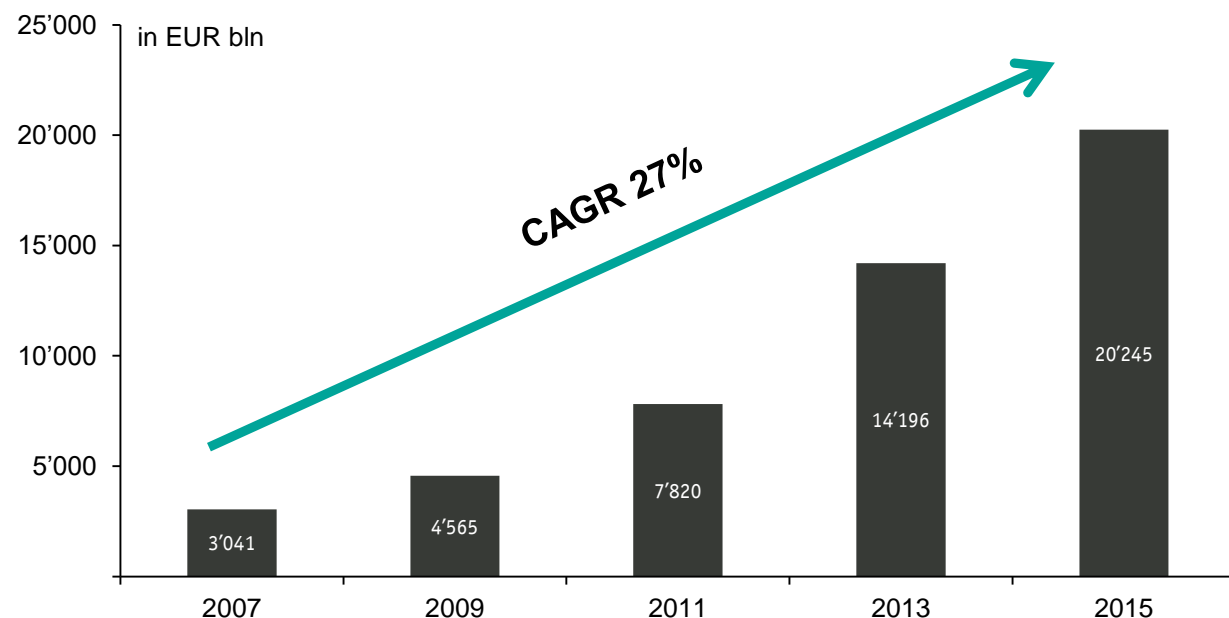
Trillions are Being Readied Around the World

Planned Energy and Climate Investment is Substantial



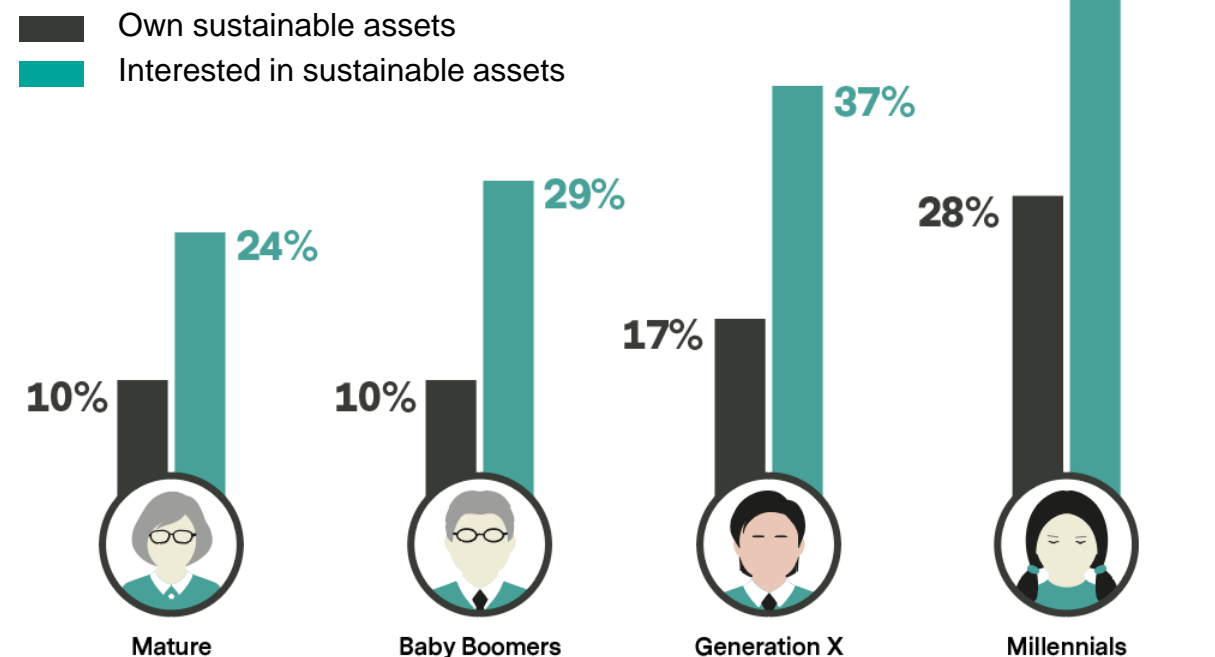
ESG at Vontobel – Sustainability Matters!

Strong growth in the past years: Sustainably managed assets in Europe exceeded EUR 20trn.



In the past, growth has come mainly from institutional investors while **recently private investor growth has accelerated.**

Strong growth to be expected for the future: Interest by different generations



Younger generations have a strong interest in sustainable investments and will be the future recipients of large amounts of assets. This will be power the growing importance of sustainable investing.



Departures



**Wishing You a Good
Head-Start Into 2021!**

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Investment Solutions

Platforms & Services
Pascal Ramseier, MBA

Asset Management
Stéphane Matile

Getting There Under our Baseline Scenario



GATE 1



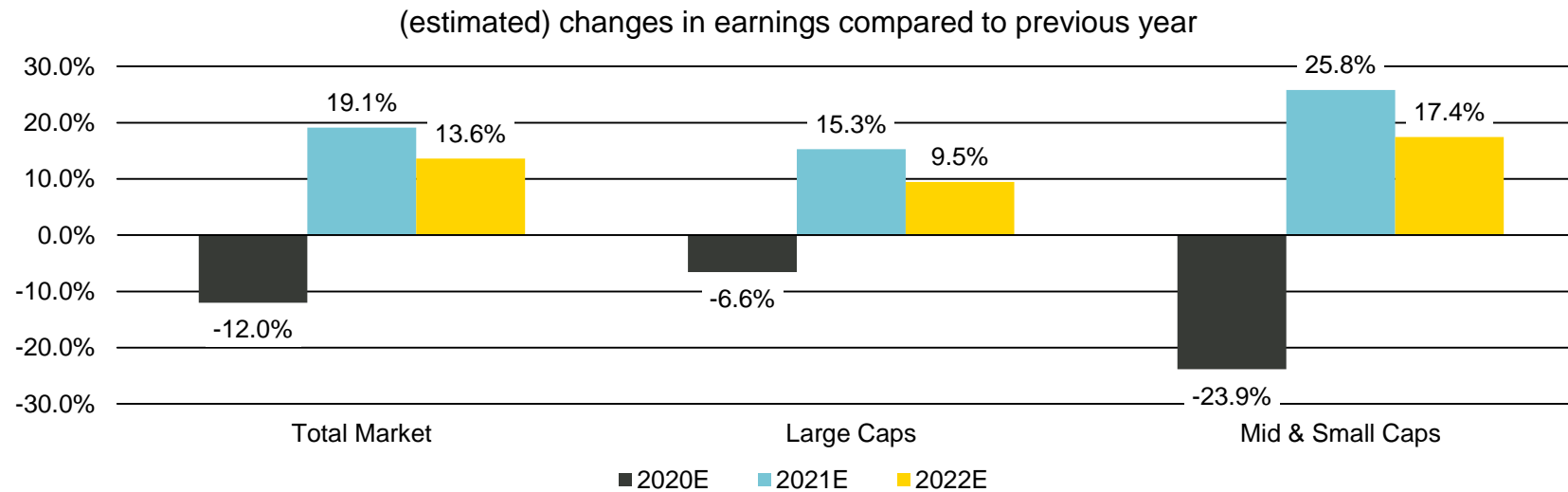
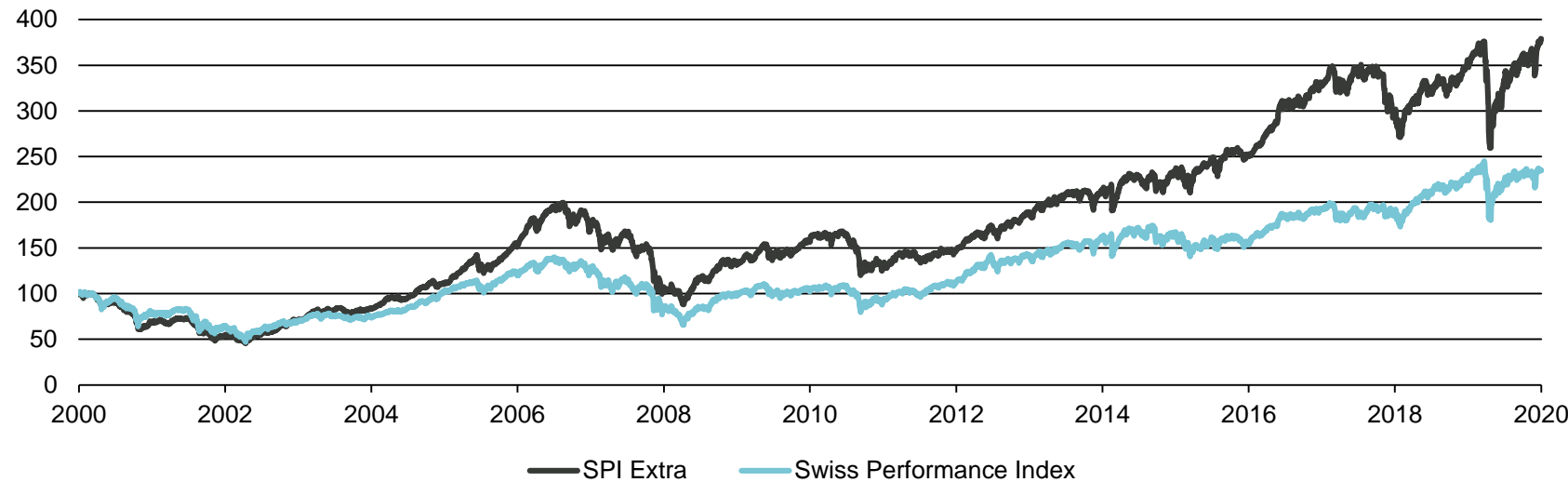
THE WORLD GETS VACCINATED

Vontobel Fund – Swiss Mid and Small Cap Equity

Tracker-Zertifikat auf «Global Cyclical Stock Selection» Basket

Equities: Don't Be Short of Cyclical exposure

Vontobel Fund – Swiss Mid and Small Cap Equity



- Superior recovery in earnings growth expected compared to large caps.
- Less volatile compared to large caps.
- More balanced diversification within small and mid caps universe leads to better sustainable performance.
- Historical outperformance of the mid & small caps vs. large caps after economic crises.

Past performance is not indicative of future results.

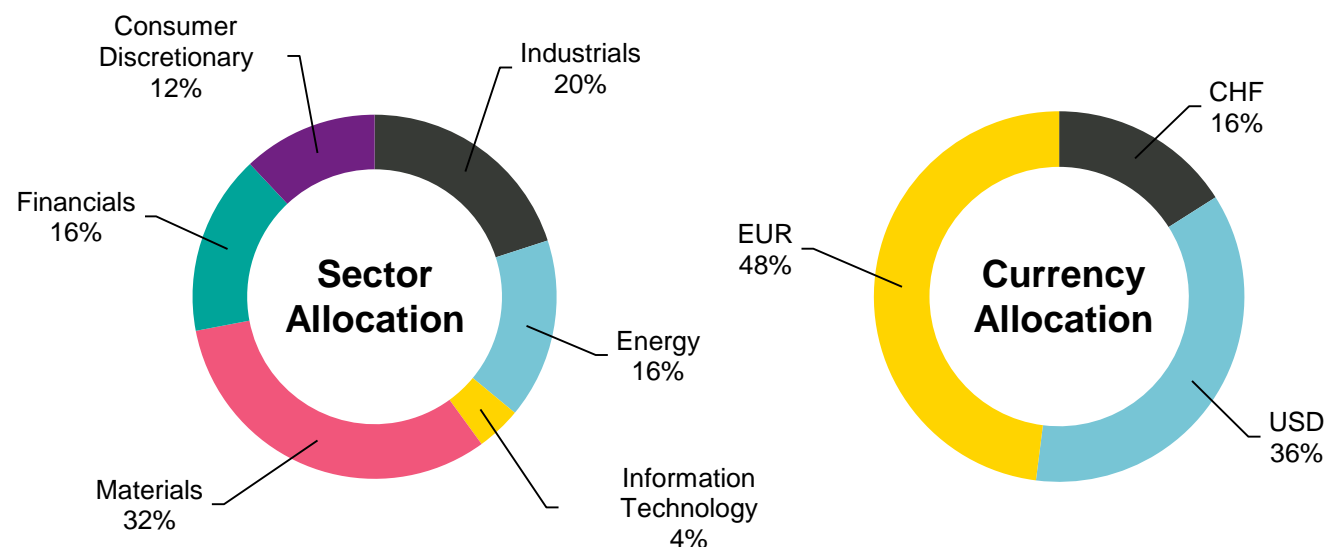
Source: Vontobel Asset Management, data as of 30.11.2020

Tracker Certificate on «Global Cyclical Stock Selection» Basket

Cyclicals with Upside Potential

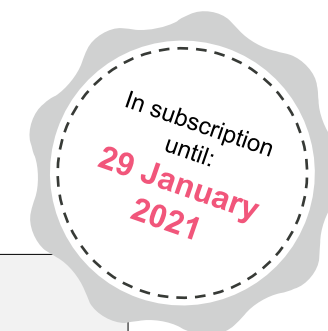
Selection Criteria

- Sector model of Vontobel Asset Management (positive or neutral outlook).
- Companies are covered by the Vontobel Research Universe (Morningstar).
- At the time of selection, all equities have a Buy rating and thus upside potential with regard to the price target.
- Factors taken into account in stock selection include: Valuation, momentum, dividend yield, growth.
- Average daily trading volume \geq 1.5 million Swiss francs.



The Tracker Certificate

Product type	Tracker Certificate (1300)
Tenor	12 months
Index fee	None
Initial fixing	01 February 2021
Final fixing	01 February 2022
Currency	USD, CHF
Weighting	Equal weighted
Issue price	100.50
ISIN / Symbol CHF	CH0553378180 / ZCYCLV
ISIN / Symbol USD	CH0553378198 / ZCYCUV



Getting There Under our Baseline Scenario



GATE 2



EMERGING MARKETS AS GROWTH ENGINE

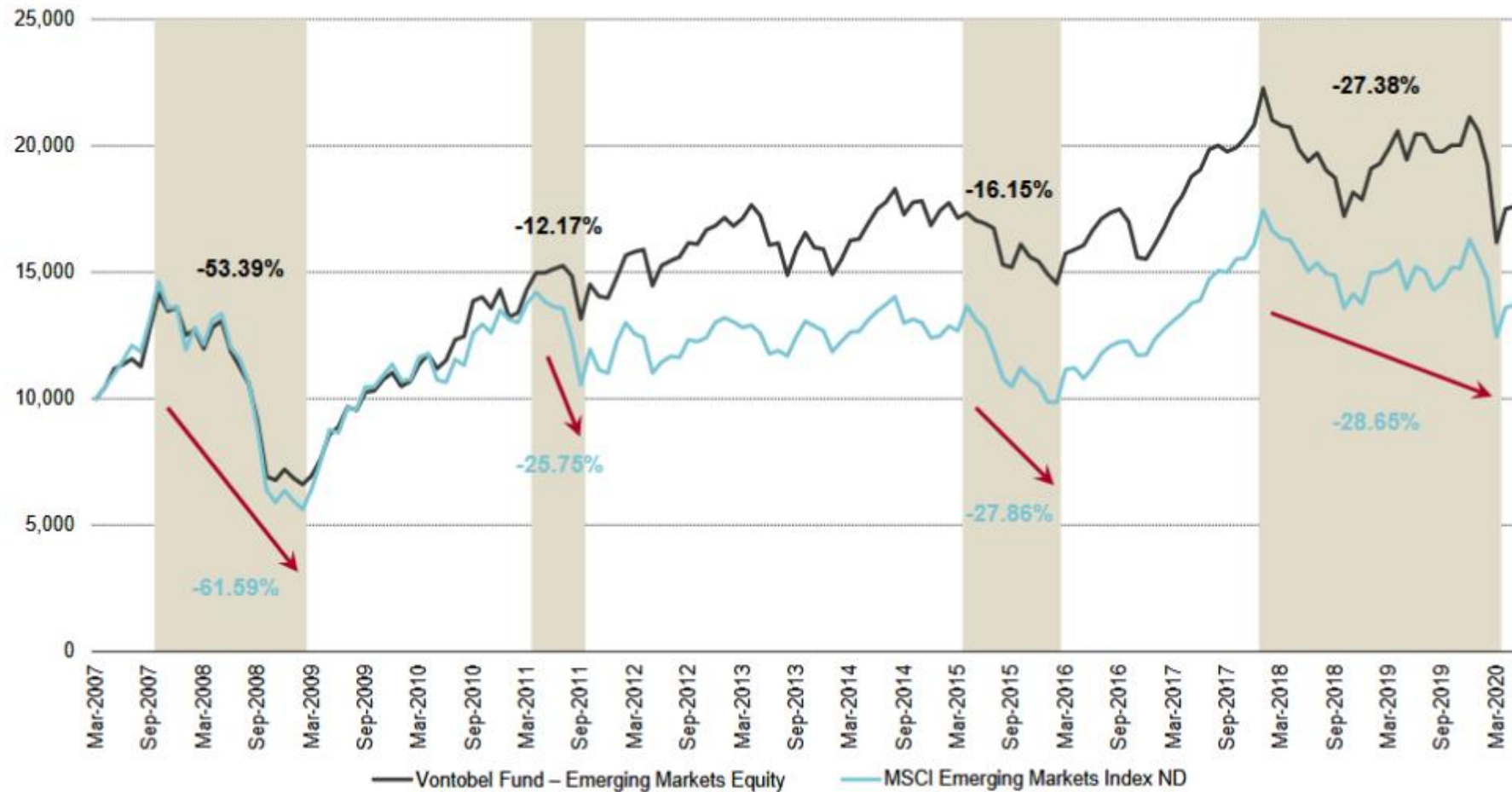
Vontobel Fund – Emerging markets Equity

Vontobel Fund - Emerging Markets Corporate Bond

Emerging Markets as Growth Engine

Vontobel Fund – Emerging Markets Equity

Invest in a concentrated portfolio of stocks that is designed to provide strong returns over a market cycle with considerably less business risk than the market.

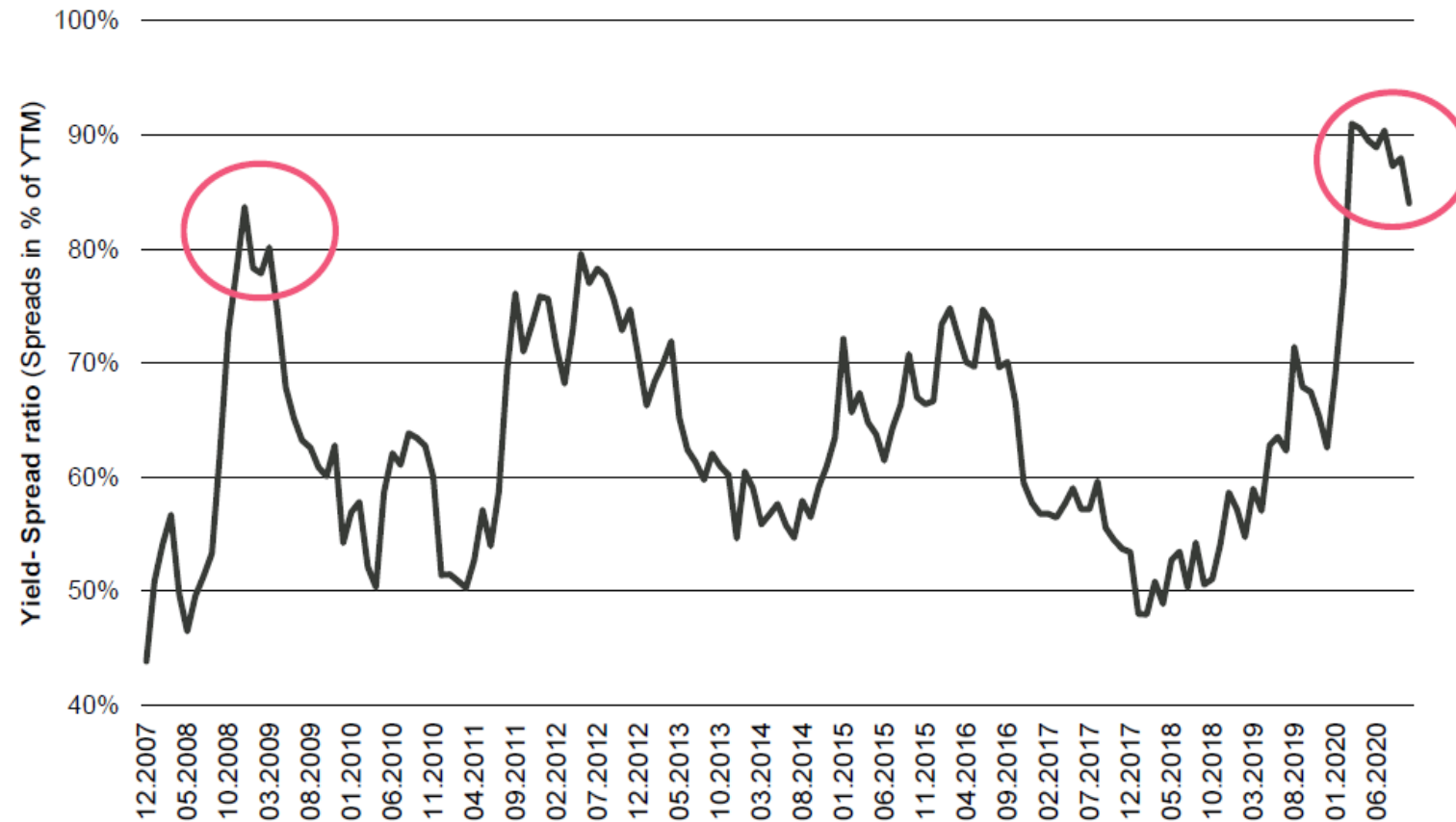


Past performance is not indicative of future results. Based on the Vontobel Fund – Emerging Markets Equity (I shares) since inception. The graph represents the cumulative growth of \$10,000. The arrows represent the 4 most significant draw down periods. A drawdown is a downside risk measure from a peak to the next trough, expressed as a percentage based on the index or market performance. Maximum Drawdown (MDD): A maximum drawdown measures the loss in any losing period during a portfolio's investment record. The maximum drawdown encompasses both the period from the portfolio's peak to the portfolio's valley (length), and the time from the portfolio's valley to a new portfolio high (recovery). It measures the largest percentage drawdown that has occurred in any fund's data record and is an indicator of downside risk over a specified time period. Source: FactSet as of June 30, 2020.

Emerging Markets as Growth Engine

Vontobel Fund – Emerging Markets Corporate Bond

Historical evolution of the spread-yield ratio of the JP Morgan CEMBI Broad Diversified



Over 80% of EMC yield comes from spread! Near all-time historic high, making EM spreads appear attractive and an attractive long-term entry point.

Getting There Under our Baseline Scenario



GATE 3



THE NEW NORMAL IS THE OLD NORMAL

Cloud Computing
(Barrier) Reverse Convertible

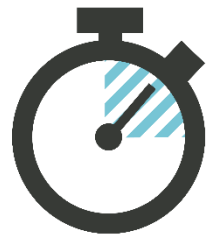
Flexible solution with best sources of
fixed income risks:
Vontobel Fund - Value Bond

Cloud Computing in a Nutshell

Democratization of computing resources

Top benefits of the Cloud

According to technical professionals



62%
reported faster
access to
infrastructure



61%
reported greater
scalability



56%
reported higher
availability



Cloud infrastructures support environmental proactivity, powering virtual services rather than physical products.



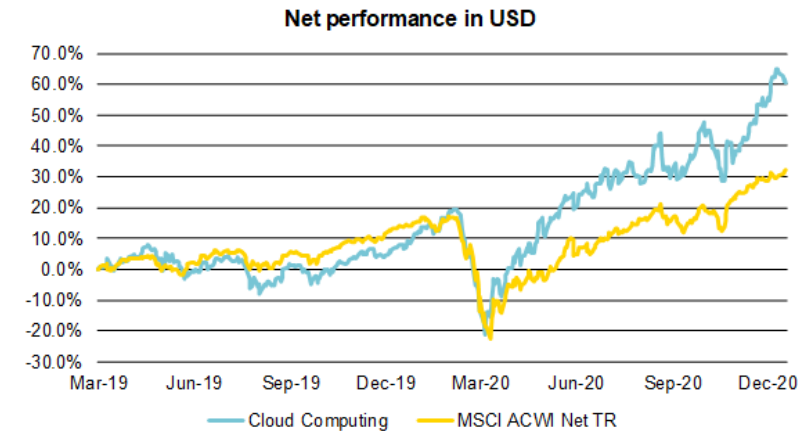
Providing virtualized computing resources over the Internet enables digital business models to scale fast. Uber is a good example: It uses Amazon Web Services.



Cloud computing offers an economically friendly aspect. Modern data centers that are centralized use synergies and are often energy-efficient.



As cloud computing is based on pay-per-use, smaller companies no longer have a competitive disadvantage compared to larger ones.



Master Data

Portfolio Managers	Daniel Maier, CFA & Romain Hohl
Underlying	Cloud Computing Index
Management fee p.a.	1.25%
Initial fixing	29.01.2021
Product type	Tracker-Certificate (Actively Managed Certificate)
Product ISIN	CH0581518138 (CHF) CH0573916050 (USD) DE000VP9LZW4 (EUR)
Listing	SIX SWISS EXCHANGE (CHF+USD) Boerse Frankfurt Zertifikate Premium, EUWAX für EUR

(Barrier) Reverse Convertible with Low Strike Price

Selection with Different Conditions

Underlyings	SMI	SMI	SMI	SMI
	SPX	SPX	SPX	SPX
	SX5E	SX5E	SX5E	SX5E
Tenor	24 months	24 months	24 months	24 months
First Call	12 months	12 months	12 months	12 months
Call/Coupon Frequency	Quarterly	Quarterly	Quarterly	Quarterly
Callable Level	Issuer Call	Issuer Call	Issuer Call	Issuer Call
Strike	100%	100%	100%	80%
Barrier	50% (Cont.)	55% (Cont.)	65% (Exp.)	No Barrier
Currency	CHF	CHF	CHF	CHF
Delivery	Physical	Physical	Physical	Physical
Coupon p.a.	2.70%	3.33%	3.02%	1.84%

Yields to Stay Low for Longer

Vontobel Value Bond – Income Solution for CHF investors

What?



Flexible Income fund targeting good value yield using the wide bonds universe with strict risk controls

How?



Diversified allocation to positive yielding securities supplemented with Active Alpha extraction in rates and credit

Objective



Delivering a positive income in CHF with a Focus on liquidity

Getting There Under our Baseline Scenario



GATE 4









G O V E R N M E N T S A R E G O I N G G R E E N

Vontobel Fund - Clean Technology – Focus on companies that provide environmentally friendly products or services.

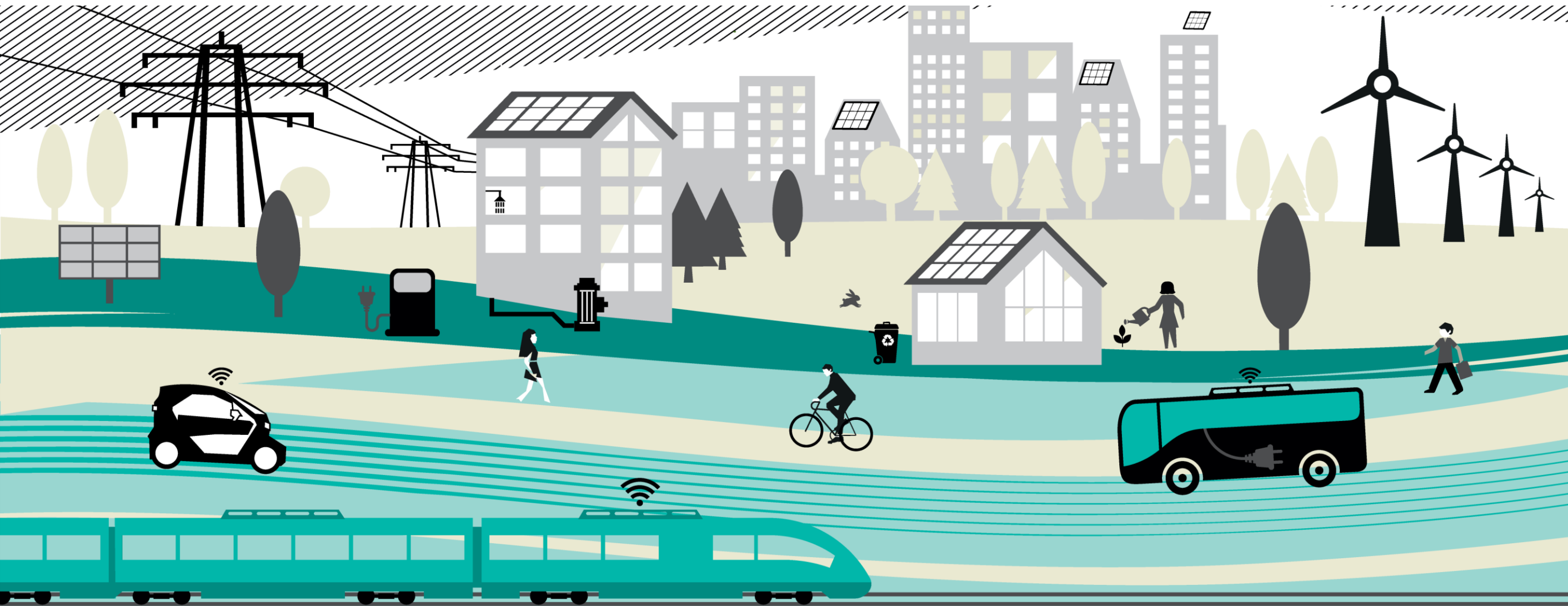
The Concept

Vontobel Swiss ESG Research Index

 Pool	<p>The investment universe from which the equities for the <i>Vontobel Swiss ESG Research Index</i> can be selected consists exclusively of the Vontobel Swiss Equity Research universe (around 100 equities) and is made up of equities from the Swiss Performance Index (SPI).</p>	
 Liquidity Criteria	<p>Average daily turnover of more than CHF 2 million over the past 6 months.</p>	
 Selection	<p>The <i>Vontobel Swiss ESG Research Index</i> aims to track the performance of Swiss equities from the Vontobel Swiss Equity Research universe with a Buy or Hold rating. Buy-rated stocks will have a weighting of 2x the Hold-rated stocks, provided the Hold-rated stocks have a positive price appreciation potential compared to the target price at the time of the initial investment or rebalancing.</p>	
  Integration of ESG & Rebalancings	Selection: Vontobel ESG score	<p>Vontobel's proprietary ESG rating which is fully integrated into the company valuation. The 25 companies with the highest score and fulfilling the selection criteria. If 2 or more equities ranking 25th have the same score, the one with the Buy rating and/or the highest price appreciation potential to the target price will be included.</p>
	Rebalancing	<p>If the rating of an equity is downgraded to Sell, the resulting cash position is distributed to the remaining securities in the index as a percentage of the current weighting. The index composition is thus rebalanced. The index will be rebalanced twice a year, at the end of May and at the end of November, based on revised ESG scores, ratings, and target prices. The composition and weightings will be determined by Vontobel Swiss Equity Research.</p>
 Weightings	<p>Depending on the index membership, a selected security is assigned to one of the following 3 weighting classes:</p> <p>SMI (SMI®): 3x SMI MID (SMIM®): 2x Swiss Performance Index (SPI®): 1x</p>	

Governments Going Green

Vontobel Fund – Clean Technology

Vontobel**1**

Access to scalable solutions that benefit from going green.

2

Attractive risk/return profile compared to global equities.

3

Measurable and tangible impact.

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