

Vontobel Fund - Eastern European Bond I

Approved for institutional investors in: AT, CH, DE, GB, IT, LI, LU, SG (professional investors).

Investment objective

This bond fund aims to generate steady income and achieve above-average investment returns over a full economic cycle, while respecting risk diversification.

Key features

The fund invests across various maturities mainly in bonds either issued by public and private issuers of various qualities from Central and Eastern Europe, or denominated in Central and Eastern European currencies. The fund uses derivative financial instruments both for hedging purposes and to take outright market positions.

Approach

The agile investment specialist team has a long-standing experience and strong track record in global bond investing. They take high-conviction decisions based on in-depth macro-economic, relative-value and issuer analyses. The team continuously evaluates inefficiencies across global markets to identify the most remunerating opportunities within the investment universe across interest rates, credit spreads, and currencies. They can also draw upon the knowledge of their award-winning colleagues skilled in credit and emerging-market bond investing. While their focus is on risk/reward optimization, the team actively adapts the portfolio striving to participate in favorable markets and keep the fund's vulnerability low in unfavorable markets.



Fund Data	
Portfolio Manager	Daniel Karnaus
Portfolio Manager location	Zurich
Fund domicile	Luxembourg
Fund currency	EUR
Share class currency	EUR
Swinging Single Pricing	Yes
Net asset value	138.01
Fund volume in mln	61.61 EUR
Management fee	0.550%
TER (per 28/02/2020)	0.82%
Launch date	13/07/2007
ISIN	LU0278087431
Valor	2870603

Major bond positions

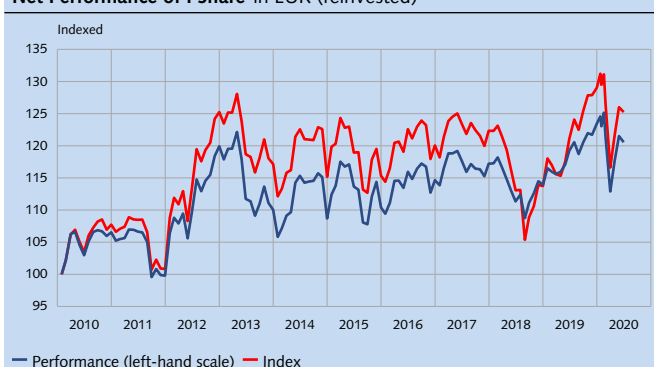
2.75% Republic of Poland Government International Bond 2023	7.9%
5.75% Republic of Poland Government International Bond 2022	7.5%
7.15% Russian Foreign Bond - Eurobond 2025	5.0%
7.4% Russian Foreign Bond - Eurobond 2024	4.6%
7.25% Russian Foreign Bond - Eurobond 2034	4.5%
8.15% Russian Federal Bond - OFZ 2027	4.5%
3.25% Republic of Poland Government International Bond 2025	4.2%
2.5% Republic of Poland Government International Bond 2026	4.1%
2.75% Republic of Poland Government International Bond 2029	4.1%
4% Republic of Poland Government International Bond 2023	3.6%

Net Performance of I Share (in EUR and %)

	1 mth.	YTD	2019	2018	2017	3 y. p.a.	5 y. p.a.	since inception
Fund	-0.8	-2.3	8.3	-2.8	2.2	0.8	1.2	38.0
Index	-0.6	-2.9	13.5	-7.0	1.9	0.5	1.0	47.8
	07.15 – 06.16	07.16 – 06.17	07.17 – 06.18	07.18 – 06.19	07.19 – 06.20			
Fund	2.0	1.5	-5.4	7.1	1.1			
Index	3.1	0.7	-8.4	7.1	3.4			
Benchmark: JP Morgan GBI-EM Global Europe (-02.05.07=Merrill Lynch Emerging Eur. Gov. Index)								

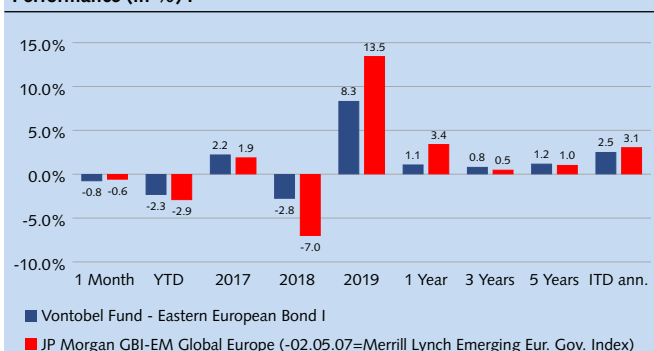
Source: Vontobel Asset Management AG. Past performance is not a guide to current or future performance. The performance data do not take account of the commissions and costs incurred on issue and redemption. The return of the fund can be a result of currency fluctuations rise or fall.

Net Performance of I Share in EUR (reinvested)



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.

Performance (in %) I

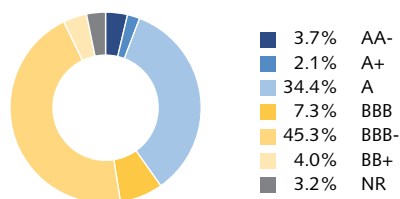


Key Data

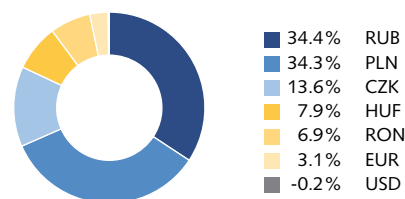
Volatility*	6.81%
Sharpe ratio*	0.18
Information ratio*	0.10
Tracking error*	3.34%
Jensen's Alpha*	0.58%
Beta*	0.71
Ø Modified duration	4.33
Average residual mat. in years	5.44
Yield to Maturity (YTM)	2.49%

* 3 years annualized

Rating Structure



Currency Weighting



Opportunities

- + Broad diversification across numerous securities
- + Investments in foreign currencies might generate currency gains
- + 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
- + Investment universe is diversified across global bond markets
- + Gains through participating in the growth potential of Russia and other countries of the former Soviet Union are possible

Risks

- Limited participation in 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.
- Investment universe may involve investments in countries where the local capital markets may not yet qualify as recognised capital markets
- Particular risks associated with Russia and countries of the former Soviet Union, such as underdeveloped banking system, more volatile performance of investments, possible illiquid investments, less efficient government supervision.

Important legal information:

This marketing document is produced for institutional investors for distribution: CH.

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.

This document is directed only at recipients who are qualified investors as defined by Switzerland's Collective Investment Schemes Act («CISA»).

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.

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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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.