

Vontobel Fund - Emerging Markets Debt S

Approved for institutional investors in: CH, CL, LU, SG (professional investors).

Approach

The Vontobel Fund - Emerging Markets Debt is an active, high conviction emerging market debt fund focusing on emerging sovereign and quasi sovereign hard-currency debt. It applies both top-down and distinctive bottom-up value and contrarian approaches based on proprietary rich-cheap analysis.

Objective

The fund aims to outperform its reference index over a rolling three-year investment cycle. To achieve this, our process is organized around the maximization of the emerging market credit spread for a given level of risk. This can be achieved by profiting from the numerous price dislocations apparent in this highly inefficient emerging debt market.

Characteristics

The fund is generally fully invested with a minimum 2/3 of assets invested in emerging hard-currency debt. Emerging currency exposure is capped at 10% of assets.

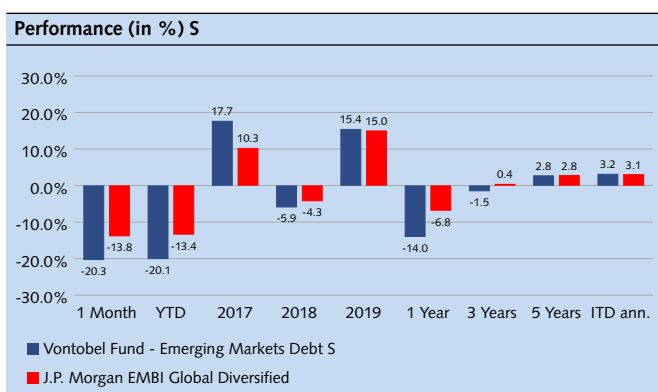
Management team

Agile, compact and experienced portfolio manager team which places emphasis on manager accountability rather than committee based decision making. Team with a long track record in applying this distinctive, bottom-up focused process to emerging hard-currency debt. The Emerging Market Debt team is supported by the highly rated Credit, Flexible and Global Bond teams of the Vontobel Fixed Income boutique.

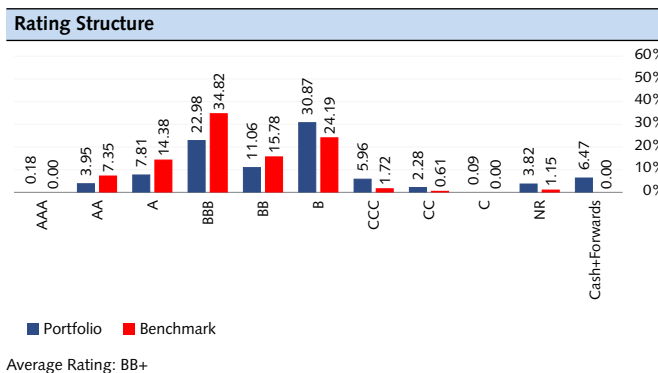


| Fund Data | |
|-------------------------|-----------------------------------|
| Portfolio Manager | Luc D'hooge \ Wouter Van Overfelt |
| Fund domicile | Luxembourg |
| Fund currency | USD |
| Share class currency | USD |
| Swinging Single Pricing | Yes |
| Net asset value | 117.62 |
| Fund volume in mln | 4,619.03 USD |
| Management fee | 0.000% |
| TER (per 31/08/2019) | 0.16% |
| Launch date | 20/01/2015 |
| ISIN | LU1171709691 |
| Valor | 26738515 |
| Bloomberg | VEMKDSA LX |

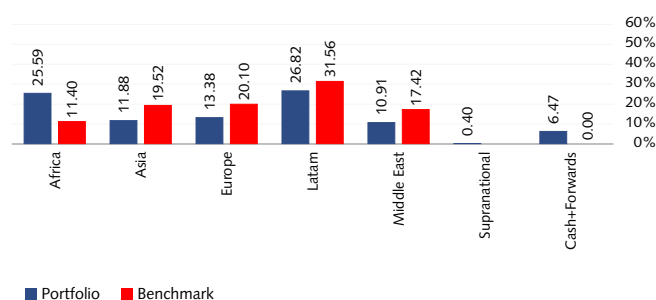
| Net Performance of S Share (in USD and %) | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-----------|-----------|-----------------|
| | 1 mth. | YTD | 2019 | 2018 | 2017 | 3 y. p.a. | 5 y. p.a. | since inception |
| Fund | -20.3 | -20.1 | 15.4 | -5.9 | 17.7 | -1.5 | 2.8 | 17.6 |
| Index | -13.8 | -13.4 | 15.0 | -4.3 | 10.3 | 0.4 | 2.8 | 17.1 |
| | 04.15 – 03.16 | 04.16 – 03.17 | 04.17 – 03.18 | 04.18 – 03.19 | 04.19 – 03.20 | | | |
| Fund | 4.0 | 15.3 | 9.3 | 1.6 | -14.0 | | | |
| Index | 4.2 | 8.9 | 4.3 | 4.2 | -6.8 | | | |
| Benchmark: J.P. Morgan EMBI Global Diversified | | | | | | | | |
| 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. | | | | | | | | |



| Key Data | Portfolio | Benchmark |
|--------------------------------------|----------------------|-----------|
| Yield to Maturity (YTM) | 10.4 | 6.9 |
| Modified Duration | 6.5 | 7.1 |
| Volatility* | 14.50% | n.a. |
| Average Rating | BB+ | BBB- |
| # of Positions | 253 | 793 |
| Active Share (country, issuer, ISIN) | 40% / 66% / 87% | |
| | * 3 years annualized | |



Regional Exposure



Major bond positions

| | |
|---|------|
| 6.625% Cote d'Ivoire 22.03.2048 Reg-S Senior | 2.1% |
| 1.875% Perusahaan Listrik 05.11.2031 Senior | 2.0% |
| 3.875% Romania 29.10.2035 Reg-S Senior | 2.0% |
| 6.875% OCP 25.04.2044 Reg-S Senior | 1.9% |
| 6.875% Cote d'Ivoire 17.10.2040 Reg-S Senior | 1.8% |
| 4.85% Czech Republic 26.11.2057 Senior | 1.8% |
| 4.75% Senegal 13.03.2028 | 1.7% |
| 5.625% United Mex States 19.03.2114 Reg-S Senior | 1.6% |
| 0% Ukraine 31.05.2040 FRN Reg-S Senior | 1.6% |
| 6.375% Central Bk Tunisia 15.07.2026 Reg-S Senior | 1.5% |

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
- + Gains through participating in the growth potential of emerging markets 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.
- Investments in emerging markets may be affected by political developments, currency fluctuations, illiquidity and volatility.

Important legal information:

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

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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.