

## Vontobel Fund – Global Corporate Bond Mid Yield

**Credit-selection driven approach aiming to find value, anticipate trends, and capture rising stars within corporate bond markets.**



**Christian Hantel**  
Senior Portfolio Manager

**“Global credit offers an attractive running yield to escape the low-yield environment.”**

### Investment opportunity

We aim to select high credit-quality issuers in order to generate income over the long term. As individual regions are in various stages of the credit cycle and perform differently at any given point in time, a global portfolio provides better diversification than a single country or region approach. This can also significantly lessen the impact of local shocks on a portfolio (Brexit, European sovereign crisis etc.).

Furthermore, bonds from the same issuer, denominated in different currencies, often exhibit price discrepancies allowing us to create relative-value opportunities. By identifying the most attractive bonds across the main currencies, we are able to extract value for our investors, with the currency risk fully hedged. Also, a key driver of returns are bonds with the potential of a rating upgrade to the mid-yield range (so called “rising stars”). This gives us the opportunity to invest early and profit from the spread contraction as the bond climbs up the rating ladder.

### Investment Objective

The Vontobel Fund – Global Corporate Bond Mid Yield’s investment policy aims to achieve the best-possible investment return in USD.

### Characteristics

The fund mainly invests in securities issued by private borrowers, which are denominated in freely convertible currencies and are of medium quality.

### Why invest?



#### Global

We create value by investing in the most attractive segments world-wide.



#### Depth

Liquidity of global bonds tends to be better than in a pure regional portfolio.



#### Value

Focus on the part of the investment-grade landscape where the credit spread compensates for the credit risk taken.

## Investment philosophy

Global corporate credit markets are diverse across segments and geography. Whilst mostly efficient, multiple drivers within these markets continually offer opportunities for active managers to generate alpha. These opportunities stem from, amongst other things, the rigid constraints under which some investors operate.

The mid-yield range is the dominant and most attractive part of the investment-grade landscape, where the credit spread most compensates for the risk taken.

## Investment process

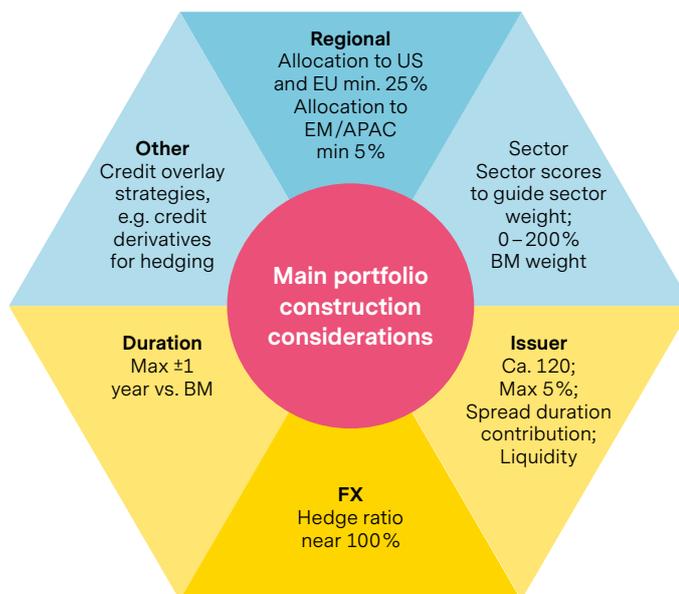
Our investment process begins with a top-down review, where we look at the development of key macro- and microeconomic data, taking into account technicals such as new supply and asset flows into or out of the asset class.

Then, with the use of our proprietary tools, we zoom in and identify around 200 attractive issuers from a benchmark universe of more than 2,000.

Once we have determined potential issuers to invest in, we conduct a thorough bottom-up analysis on each potential credit, resulting in a fundamental company view. By bringing this together with our overall market valuation, we come to a buy/hold/sell decision.

We then construct our portfolio based on regional, sector, issuer, duration, and other considerations.

A robust risk-management setup, with control and oversight independent of the primary risk owners, provides a solid cover for our entire investment process.





**Christian Hantel**  
 Senior Portfolio Manager

18 years investment experience  
 5 years with Vontobel

Christian Hantel joined Vontobel Asset Management in October 2015 as Senior Portfolio Manager. He is responsible for the Global Corporate Bond Strategy and manages corresponding funds.

Prior to joining Vontobel, from 2012 to 2015, he was Senior Portfolio Manager at Swisscanto Asset Management AG. In this role, he managed Swisscanto corporate bond funds as well as multi-currency institutional mandates. He was also lead analyst for various investment grade and high-yield sectors and corporates, including emerging market corporates. From 2005, Christian worked at BNY Mellon Asset Management in Düsseldorf, heading the credit investment grade team focusing on investment grade and high yield issuers, including the management of credit funds. Prior to that, he worked for several years at PricewaterhouseCoopers in Corporate Finance / M&A.

Christian Hantel earned a Master's in Business Administration from the University of Cologne and a Master's in International Management from CEMS-HEC Paris. In 2011, he obtained his diploma as a Certified International Investment Analyst (CIIA).



**Mondher Bettaieb Lorient**  
 Head of Corporate Bonds,  
 Senior Portfolio Manager

27 years investment experience  
 10 years with Vontobel

Mondher Bettaieb Lorient joined Vontobel Asset Management in 2010. As Senior Portfolio Manager, he is responsible for corporate bond funds and the management of global aggregate bond mandates.

Prior to Vontobel, Mondher Bettaieb Lorient worked at AXA Investment Managers in London as Credit Strategist. From 2005 to March 2009, he worked at Swisscanto Asset Management in Zurich as Credit Fund Manager and Credit Strategist, managing investment grade and high-yield bond funds. Before this, he was Credit Fund Manager for several life and non-life insurance bond funds at Winterthur Asset Management in the CS Group. From 1998 to 2003, Mondher Bettaieb Lorient worked at Rothschild Asset Management in London as Corporate Research Analyst. From 1993 to 1998, he worked at Bank of America Corporation as a Credit Analyst in London.

Mondher Bettaieb Lorient holds a Bachelor of Science in Business Administration from Columbia College as well as a Master's in Business Administration from Colorado State University.

### Fund information

Vontobel Fund – Global Corporate Bond Mid Yield

ISIN	SHARE CLASS	CURRENCY	MANAGEMENT FEE
LU1395537134	I	USD	0.55%

Other share classes available



Scan to learn more  
 about the fund

[vontobel.com/gcbmy](http://vontobel.com/gcbmy)

### Risks

- Limited participation in the potential of single securities.
- 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.
- Investments in foreign currencies are subject to currency fluctuations
- The structure of ABS/MBS and the pools backing them might be intransparent which exposes the subfund to additional credit and prepayment risks (extension or contraction risks) depending on which tranche of ABS/MBS is purchased by the subfund.
- High-yield bonds (non-investment-grade bonds / junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated bonds.
- Mid-yield bonds may be more speculative investments than bonds with a higher rating due to higher credit risk, higher price fluctuations, a higher risk of loss of capital deployed.
- Investment universe may involve investments in countries where the local capital markets may not yet qualify as recognised capital markets.
- Interest rates may vary, bonds suffer price declines on rising interest rates.

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Vontobel Asset Management AG  
Gotthardstrasse 43  
8022 Zurich  
Switzerland

[vontobel.com/am](http://vontobel.com/am)