

# Vontobel Fund - Global Corporate Bond Mid Yield AH

Approved for Wholesale/Retail investors in: AT, CH, DE, ES, IT, LU, PT.

## Investment objective

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

## Key features

The fund invests worldwide mainly in corporate bonds of issuers of good quality (investment grade) denominated in different currencies with various maturities. The focus is on global diversification and selection of individual securities to ensure that the credit spread compensates adequately for the risks involved. Within investment grade, the fund has an emphasis on the mid-yield segment (ratings A+ to BBB-). The fund uses derivative financial instruments, mainly for hedging purposes.

## Approach

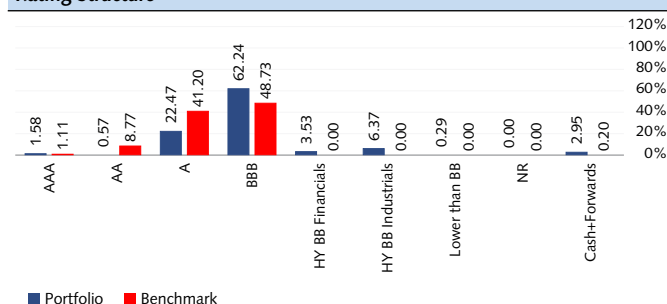
The seasoned and agile investment specialist team applies a research-driven investment process, combining a top-down approach to evaluate geographies and industries with bottom-up analysis to ensure optimal issuer and bond selection. The team takes high-conviction investment decisions, striving to benefit from global diversification and actively exploit market inefficiencies, such as relative-value opportunities, across market segments.



| Key Data                             | Portfolio       | Benchmark |
|--------------------------------------|-----------------|-----------|
| Yield to Maturity (YTM)              | 2.3             | 1.6       |
| Modified Duration                    | 8.0             | 7.4       |
| Volatility*                          | 7.63%           | n.a.      |
| Average Rating                       | BBB+            | A-        |
| # of Positions                       | 240             | 15,503    |
| Active Share (country, issuer, ISIN) | 16% / 72% / 96% |           |

\* 3 years annualized

## Rating Structure



Average Rating: BBB+

## Fund Data

|                            |  |
|----------------------------|--|
| Portfolio Manager          | Christian Hantel / Mondher Bettaieb                      |
| Portfolio Manager location | Zurich   |
| Fund domicile              | Luxembourg   |
| Benchmark                  | ICE BofAML Global Corporate Index (G0BC) hedged into EUR |
| Fund currency              | USD  |
| Share class currency       | EUR  |
| Swinging Single Pricing    | Yes  |
| Net asset value            | 106.58   |
| Fund volume in mln         | 564.13 USD   |
| Share class volume in mln  | 6.78 EUR   |
| Management fee             | 1.100%   |
| TER (per 28/02/2020)       | 1.42%  |
| Launch date                | 09/05/2016   |
| Last distribution          | 2.04 / November  |
| ISIN                       | LU1395536243   |
| Valor                      | 32261681   |

## Net Performance of AH (hedged) Share (in EUR and %)

|       | 1 mth. | YTD | 2019 | 2018 | 2017 | 3 y. p.a. | 5 y. p.a. | since inception |
|-------|--------|-----|------|------|------|-----------|-----------|-----------------|
| Fund  | 2.5    | 4.5 | 9.6  | -4.9 | 4.9  | 3.2       | n.a.      | 15.0            |
| Index | 2.4    | 5.0 | 9.3  | -3.6 | 3.8  | 3.7       | n.a.      | 15.3            |

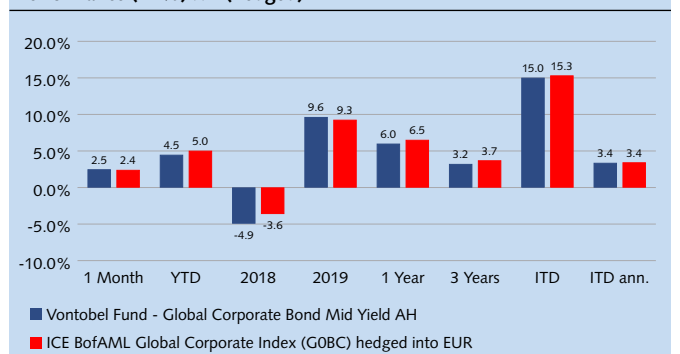
  

|       | 08.15 – 07.16 | 08.16 – 07.17 | 08.17 – 07.18 | 08.18 – 07.19 | 08.19 – 07.20 |
|-------|---------------|---------------|---------------|---------------|---------------|
| Fund  | n.a.          | 1.4           | -2.4          | 6.3           | 6.0           |
| Index | n.a.          | 0.1           | -1.9          | 6.7           | 6.5           |

Benchmark: ICE BofAML Global Corporate Index (G0BC) hedged into EUR

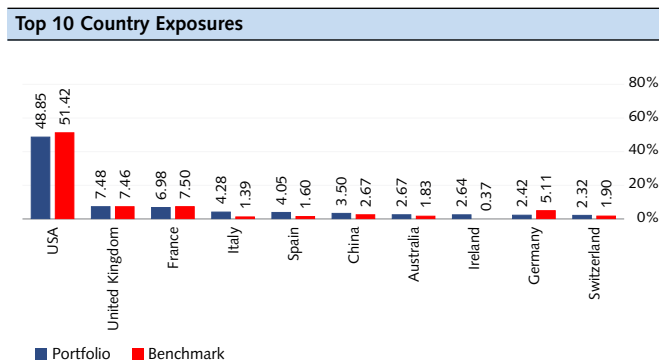
Source: Vontobel Asset Management AG. Past performance is not a guide to current or future performance. The performance data do not take account of the commissions and costs incurred on issue and redemption. The return of the fund can be a result of currency fluctuations rise or fall.

## Performance (in %) AH (hedged)



| Largest issuers         |      |
|-------------------------|------|
| AT&T INC                | 2.5% |
| BANK OF AMERICA CORP    | 2.2% |
| UNICREDIT SPA           | 1.9% |
| CITIGROUP INC           | 1.8% |
| HCA INC                 | 1.7% |
| MID-ATLANTIC INTERSTATE | 1.7% |
| MICROSOFT CORP          | 1.6% |
| JPMORGAN CHASE & CO     | 1.5% |
| BOSTON SCIENTIFIC CORP  | 1.5% |
| VERIZON COMMUNICATIONS  | 1.4% |

| 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                                     |  |



| 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 |  |

**Important legal information:**

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In particular, we wish to draw your attention to the following risks: Investments in riskier, higher-yielding bonds are generally considered to be more speculative in nature. These bonds carry a higher credit risk and their prices are more volatile than bonds with superior credit ratings. There is also a greater risk of losing the original investment and the associated income payments. 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. 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. Money market investments are associated with risks of a money market, such as interest rate fluctuations, inflation risk and economic instability.

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.