

Asset Management / Fund Factsheet / 31.08.2021

# Vontobel Fund - Emerging Markets Debt HI (hedged), CHF

Marketing document for institutional investors in: AT, CH, CL, DE, FR, GB, IT, LI, LU, SG (professional investors)

## Investment objective

This bond fund aims to generate the best possible investment returns over a full economic cycle, while respecting risk diversification.

## Key features

The fund invests across emerging markets mainly in government and quasi-sovereign bonds of diverse qualities with different maturities in various hard currencies. In addition, the fund may have limited exposures to emerging market corporate bonds as well as emerging market currencies. The fund uses derivative financial instruments, primarily for hedging purposes.

## Approach

The compact and agile investment team of experienced emerging market specialists focuses on spread optimization for a given level of risk. Based on in-depth research and using a proprietary valuation model, the portfolio managers continuously compare the levels of remuneration potential available across issuer qualities, countries, interest rates, currencies and maturities within the investment universe to identify the most rewarding opportunities, which may be contrarian to mainstream views. To seize them, the team flexibly adapts the portfolio while keeping credit, interest rate and currency risks in check.

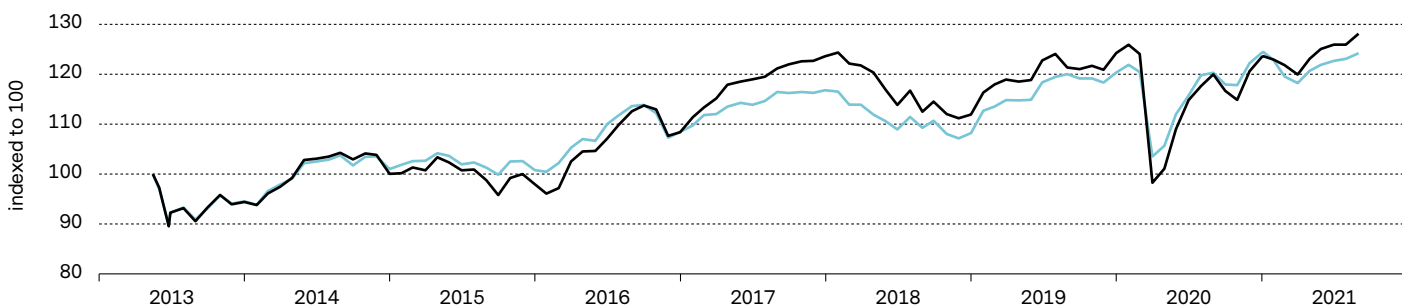
Portfolio management	Luc D'hooge / Wouter Van Overfelt
Fund domicile, legal structure	Luxembourg, UCITS
Currency of the fund / shareclass	USD / CHF
Launch date fund / shareclass	15.05.2013 / 15.05.2013
Fund size	USD 4,250.52 mio
Net asset value (NAV) / share	CHF 128.12
Ref. index	J.P. Morgan EMBI Global Diversified hedged CHF
ISIN / WKN / VALOR	LU0926440495 / A1T96E / 21343537
Management fee	0.55%
Ongoing charges (incl. Mgmt. fee) as of 28.02.2021	0.83%
Maximum entry / switching / exit fee <sup>1)</sup>	5.00% / 1.0% / 0.30%
Swinging Single Price	Yes
Distribution policy	reinvesting

<sup>1)</sup> Refer to fund distributor for actual applicable fees, if any.

Portfolio Characteristics	Fund	Ref. index
Volatility, annualized <sup>2)</sup>	15.83%	n.a.
Sharpe ratio <sup>2)</sup>	0.33	
Information ratio <sup>2)</sup>	0.01	
Modified duration (years)	6.71	7.88
Average Rating	BB	BB+
Number of positions	244	947
Yield to maturity	6.50%	3.94%
Yield to maturity after hedging to USD	6.63%	3.91%
Yield to worst (YTW)	6.48%	3.91%
Tracking error, ex-post <sup>2)</sup>	5.70%	
Option-adjusted spread, OAS (basis points)	560	286

<sup>2)</sup> calculated over 3 years

## Historical Performance (%) — Fund — Reference index



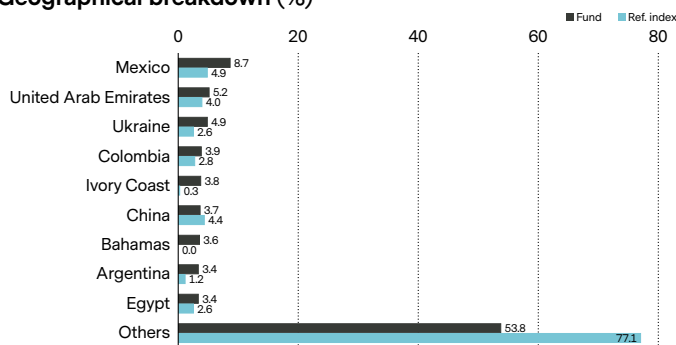
	09.20 - 08.21	09.19 - 08.20	09.18 - 08.19	09.17 - 08.18	09.16 - 08.17	1 m	year to date	2020	2019	2018	3 yrs p.a.	5 yrs p.a.	since inception
Fund	6.8	-1.1	7.9	-7.2	7.6	1.7	3.8	-0.6	11.0	-9.4	4.4	2.6	28.1
Ref. index	3.2	0.2	9.8	-6.2	2.5	0.9	-0.1	3.3	11.2	-7.4	4.4	1.8	24.2

Past Performance is not a guide to current or future performance. Performance data do not take account of the entry / exit commissions and costs incurred, and reflect gross distributions reinvested. Performance of a fund can rise or fall, i.a. as a result of currency fluctuations.

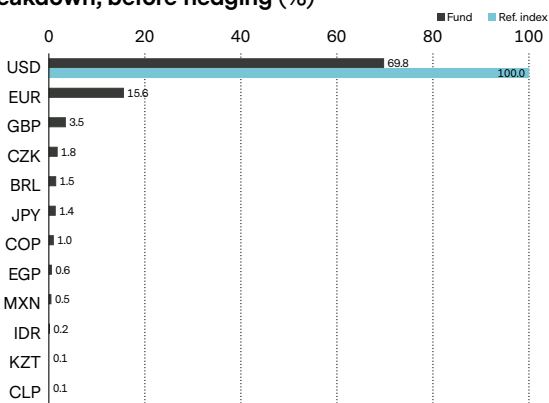
### Major positions (%)

4% Gov of Sharjah 28.07.2050 Reg-S Senior	2.7
0% Ukraine 31.05.2040 FRN Reg-S Senior	2.7
5.625% United Mex States 19.03.2114 Reg-S Senior	2.5
8.95% Bahamas 15.10.2032	2.2
6.75% PEMEX 21.09.2047 Senior	2.0
6.625% Cote d'Ivoire 22.03.2048 Reg-S Senior	1.9
4.7% BOAD 22.10.2031 Reg-S	1.7
8.375% Papua New Guinea 04.10.2028 Reg-S Senior	1.7
4.85% Czech Republic 26.11.2057 Senior	1.6
0.5% Ecuador 31.07.2040 FRN Reg-S Senior	1.5
<b>Total</b>	<b>20.5</b>

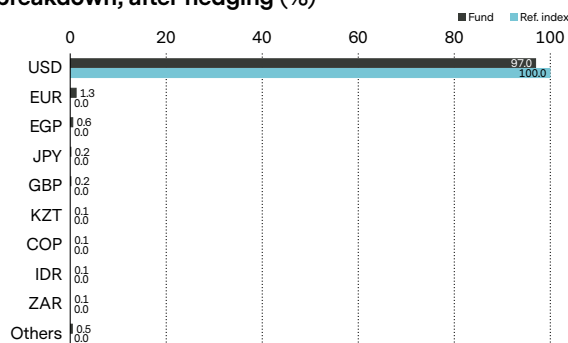
### Geographical breakdown (%)



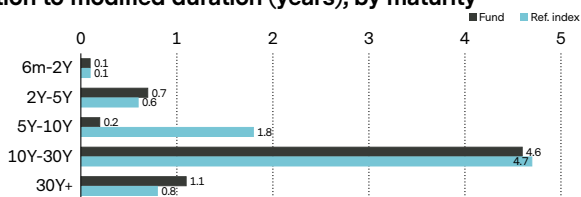
### Currency breakdown, before hedging (%)



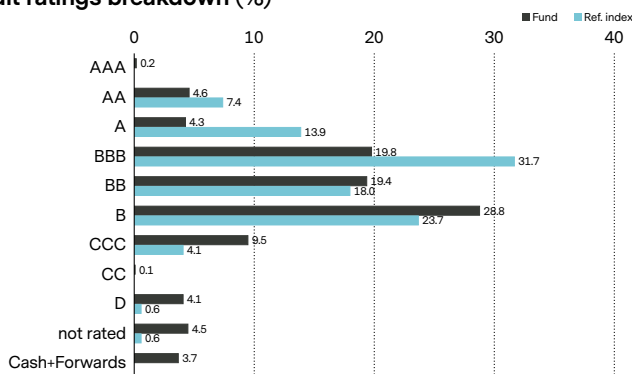
### Currency breakdown, after hedging (%)



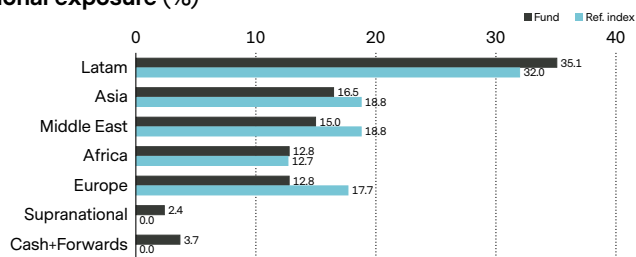
### Contribution to modified duration (years), by maturity



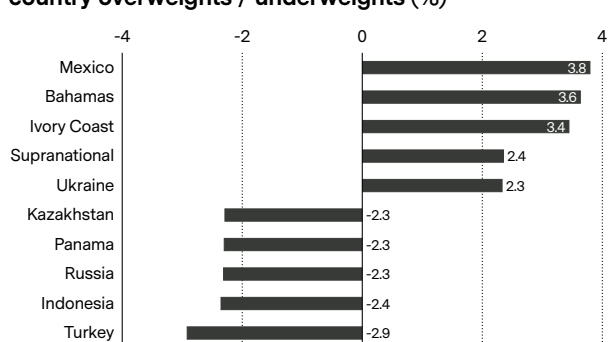
### Credit ratings breakdown (%)



### Regional exposure (%)

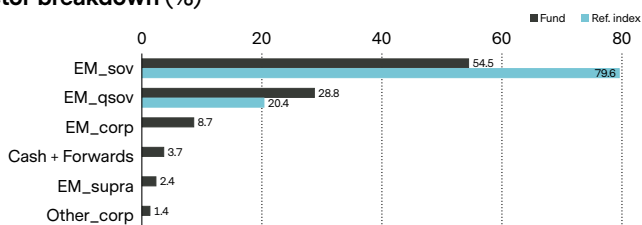


### Major country overweights / underweights (%)



Values reflect the country exposure of the fund relative to the Reference index.

### Sector breakdown (%)



## Risks

- Limited participation in the 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.
- The Sub-Fund's investments may be subject to Sustainability Risks. Information on how sustainability risks are managed in this Sub-Fund may be obtained from [Vontobel.com/SFDR](http://Vontobel.com/SFDR).

## 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. **Index:** Is a characteristic portfolio considered representative of a particular market or a portion of it, and serves as a performance measurement for such a market. An index, or combination thereof, used as reference for performance comparison, is then called "reference index". **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. **Ongoing charges:** Expresses the sum of the costs of running a fund on an ongoing basis, like management fee and various legal and operating costs. It is calculated retroactively over a period of 12 months as a percentage of the fund assets. When insufficient data is available, Ongoing Charges may be estimated using data of funds with similar characteristics. **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. **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. **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.

## Important information

This marketing document was produced by one or more companies of the Vontobel Group (collectively "Vontobel") for institutional investors for distribution in AT, CH, CL, DE, FR, GB, IT, LI, LU, SG (professional investors).

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 institutional clients, such as eligible counterparties or professional clients as defined by the Markets in Financial Instruments Directive 2014/65/EC ("MiFID") or similar regulations in other jurisdictions, or as qualified investors as defined by Switzerland's Collective Investment Schemes Act ("CISA").

The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

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.

Interested parties may obtain the above-mentioned documents free of charge from the authorised distribution agencies and from the offices of the fund at 11-13 Boulevard de la Foire, L-1528 Luxembourg. Refer for more information on the fund to the latest prospectus, annual and semi-annual reports as well as the key investor information documents ("KIID"). These documents may also be downloaded from our website at [vontobel.com/am](http://vontobel.com/am), the representative in Switzerland: Vontobel Fonds Services AG, Gotthardstrasse 43, 8022 Zurich, the paying agent in Switzerland: Bank Vontobel AG, Gotthardstrasse 43, 8022 Zurich, the paying agent in Germany: the paying agent in Germany: LBBW Landesbank Baden-Württemberg, Große Bleiche 54-56, 55116 Mainz, the paying agent in Liechtenstein: Liechtensteinische Landesbank AG, Städtle 44, FL-9490 Vaduz, the paying agent in Austria Erste Bank der oesterreichischen Sparkassen AG, Graben 21, A-1010 Vienna. The KIID is available in French. Refer for more information on the funds to the Document d'Information Clé pour l'Investisseur (DICl). Refer for more information regarding subscriptions in Italy to the Modulo di Sottoscrizione. For any further information: Vontobel Asset Management S.A., Milan Branch, Piazza degli Affari 3, 20123 Milano, telefono: 0263673444, e-mail [clientrelation@vontobel.it](mailto:clientrelation@vontobel.it). The funds authorised for distribution in the United Kingdom and entered into the FCA's temporary marketing permissions regime can be viewed in the FCA register under the Scheme Reference Number 466625. The fund is authorised as a UCITS scheme (or is a sub fund of a UCITS scheme) in a European Economic Area (EEA) country, and the scheme is expected to remain authorised as a UCITS while it is in the temporary marketing permissions regime. This information was approved by Vontobel Asset Management SA, London Branch, which has its registered office at 3rd Floor, 70 Conduit Street, London W1S 2GF and is authorised by the Commission de Surveillance du Secteur Financier (CSSF) and subject to limited regulation by the Financial Conduct Authority (FCA). Details about the extent of regulation by the FCA are available from Vontobel Asset Management SA, London Branch, on request. The KIID can be obtained in English from Vontobel Asset Management SA, London Branch, 3rd Floor, 70 Conduit Street, London W1S 2GF or downloaded from our website [vontobel.com/am](http://vontobel.com/am).

In **Singapore** this material is provided by Vontobel Pte Ltd, regulated by the Monetary Authority of Singapore. The fund and its subfunds are not available to retail investors in Singapore. Selected sub-funds of the fund are currently recognized as restricted schemes by the Monetary Authority of Singapore. These sub-funds may only be offered to certain prescribed persons on certain conditions as provided in the "Securities and Futures Act", Chapter 289 of Singapore.

In **Hong Kong** this material is provided by Vontobel Asset Management Asia Pacific Limited, a corporation licensed by the Securities and Futures Commission. The fund is not authorised by the Securities and Futures Commission of Hong Kong. It may only be offered to those investors qualifying as professional investors under the Securities and Futures Ordinance. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution and if you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

In **Chile** the funds may not be publicly offered, neither as an entity of Vontobel or under registration with the Superintendencia de Seguros y Valores de Chile (Superintendencia de Valores y Seguros, SVS) in accordance with the Securities Act no. 18.045. The offer of the instruments mentioned in this presentation is subject to General Rule No. 336 issued by the SVS. The subject matter of this offer are securities not registered with the Securities Registry (Registro de Valores) of the SVS, nor with the Foreign Securities Registry (Registro de Valores Extranjeros) of the SVS; therefore, such securities are not subject to the supervision of the SVS. Since the securities are not registered in Chile, there is no obligation of the issuer to make publicly available information about the securities in Chile. The securities shall

not be subject to public offering in Chile unless registered with the relevant securities registry of the SVS. Please note that certain sub-funds are exclusively available to qualified investors. This communication is for information of institutional investors only (qualified as such by the laws of the Republic of Peru) and does neither constitute an offer of financial services nor a recommendation or offer to purchase or sell shares in any financial instrument. The shares of the fund have not been and will not be registered with the Securities Market Public Register (Registro Público del Mercado de Valores) kept by the Peruvian Superintendencia for the Securities Market (Superintendencia del Mercado de Valores, SMV).

All data contained herein, including fund information, is obtained from or calculated by Vontobel. All data is as at the date of the document unless stated otherwise. Although Vontobel believes that the information provided in this document is based on reliable sources, it cannot assume responsibility for the quality, correctness, timeliness or completeness of the information contained in this document. Except as permitted under applicable copyright laws, none of this information may be reproduced, adapted, uploaded to a third party, linked to, framed, performed in public, distributed or transmitted in any form by any process without the specific written consent of Vontobel. To the maximum extent permitted by law, Vontobel will not be liable in any way for any loss or damage suffered by you through use or access to this information, or Vontobel's failure to provide this information. Our liability for negligence, breach of contract or contravention of any law as a result of our failure to provide this information or any part of it, or for any problems with this information, which cannot be lawfully excluded, is limited, at our option and to the maximum extent permitted by law, to resupplying this information or any part of it to you, or to paying for the resupply of this information or any part of it to you. Neither this document nor any copy of it may be distributed in any jurisdiction where its distribution may be restricted by law. Persons who receive this document should make themselves aware of and adhere to any such restrictions. In particular, this document must not be distributed or handed over to US persons and must not be distributed in the USA.

ANY INDEX REFERRED TO HEREIN IS THE INTELLECTUAL PROPERTY (INCLUDING REGISTERED TRADEMARKS) OF THE APPLICABLE LICENSOR. ANY PRODUCT BASED ON AN INDEX IS IN NO WAY SPONSORED, ENDORSED, SOLD OR PROMOTED BY THE APPLICABLE LICENSOR AND IT SHALL NOT HAVE ANY LIABILITY WITH RESPECT THERETO. Refer to [vontobel.com/terms-of-licenses](http://vontobel.com/terms-of-licenses) for more details.

Vontobel Asset Management S.A.  
18, rue Erasme, L-1468 Luxembourg  
Luxembourg

[luxembourg@vontobel.com](mailto:luxembourg@vontobel.com)  
[www.vontobel.com/am](http://www.vontobel.com/am)