

# Vontobel Fund - EUR Corporate Bond Mid Yield AI

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 credit cycle, while respecting risk diversification.

## Key features

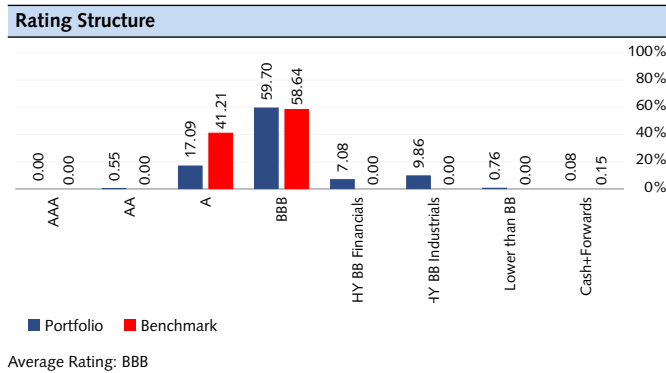
The fund invests mainly in developed-market corporate bonds of issuers of good quality (investment grade) denominated in euros. These bonds have different maturities and seniorities. Their issuers are from different industries and have various credit ratings. The focus is on the rating segment in which credit spreads compensate adequately for the risks involved, namely the mid-yield segment (ratings A+ to BBB-). The fund uses derivative financial instruments, mainly for hedging purposes.

## Approach

The seasoned investment specialist team applies a dedicated credit-selection style and takes investment decisions based on fundamental credit, relative-value, and technical analyses. Top-down assessment of both the economy and various industries is followed by bottom-up company analysis. Through a filtering process, the team identifies industries and investable corporate bonds whose credit spreads compensate adequately for the risks involved. For efficient diversification, the team strives to hold a variety of issuers and instruments with a view to exploit inefficiencies



Fund Data	
Portfolio Manager	Mondher Bettaieb \ Claudia Fontanive-Wyss
Fund domicile	Luxembourg
Benchmark	ICE BofAML A-BBB Euro Corporate Index
Fund currency	EUR
Share class currency	EUR
Swinging Single Pricing	Yes
Net asset value	106.52
Fund volume in mln	2,524.09 EUR
Share class volume in mln	72.99 EUR
Management fee	0.550%
TER (per 28/02/2021)	0.75%
Launch date	14/07/2015
Last distribution	1.78 / November
ISIN	LU1258889689
Valor	28828731



### Net Performance of AI Share (in EUR and %)

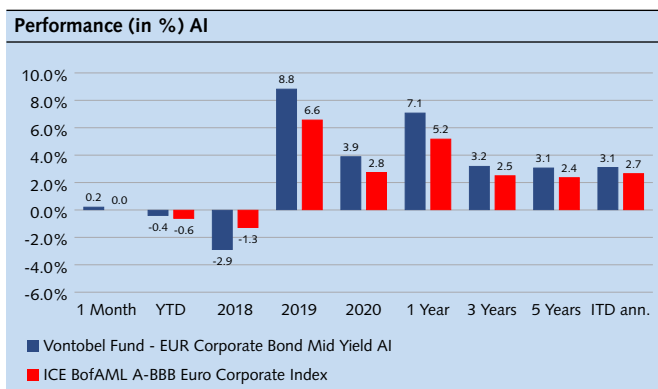
	1 mth.	YTD	2020	2019	2018	3 y. p.a.	5 y. p.a.	since inception
Fund	0.2	-0.4	3.9	8.8	-2.9	3.2	3.1	19.5
Index	0.0	-0.6	2.8	6.6	-1.3	2.5	2.4	16.5

	05.16 – 04.17	05.17 – 04.18	05.18 – 04.19	05.19 – 04.20	05.20 – 04.21
Fund	3.8	2.0	2.3	0.4	7.1
Index	2.9	1.4	3.0	-0.5	5.2

Benchmark: ICE BofAML A-BBB Euro Corporate 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.



### Key Data

	Portfolio	Benchmark
Yield to Maturity (YTM)	1.6	0.5
Modified Duration	5.3	5.3
Volatility*	7.09%	n.a.
Average Rating	BBB	BBB+
Average Coupon	2.9	1.6
Average Maturity	6.1	5.8
Active Share (country, issuer, ISIN)	31% / 69% / 93%	

\* 3 years annualized

**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
- + Investments in bonds with medium and lower investment grade ratings may offer an above-average yield compared with investments in first-class borrowers

**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
- 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
- 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](https://www.vontobel.com/SFDR)

**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 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. 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.

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Vontobel Asset Management AG  
Telefon +41 58 283 71 50  
[vontobel.com/am](http://vontobel.com/am)

## 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.