

Fund Factsheet / 31.07.2024

Vontobel Fund - Emerging Markets Corporate Bond AQN, USD

Marketing document for retail investors in: CH, ES, GB, LU

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 corporate bonds of diverse qualities with different maturities in various hard currencies. In addition, the fund may have limited exposure to emerging market government bonds in local 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 and event-driven investment opportunities 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.

Risk and reward profile



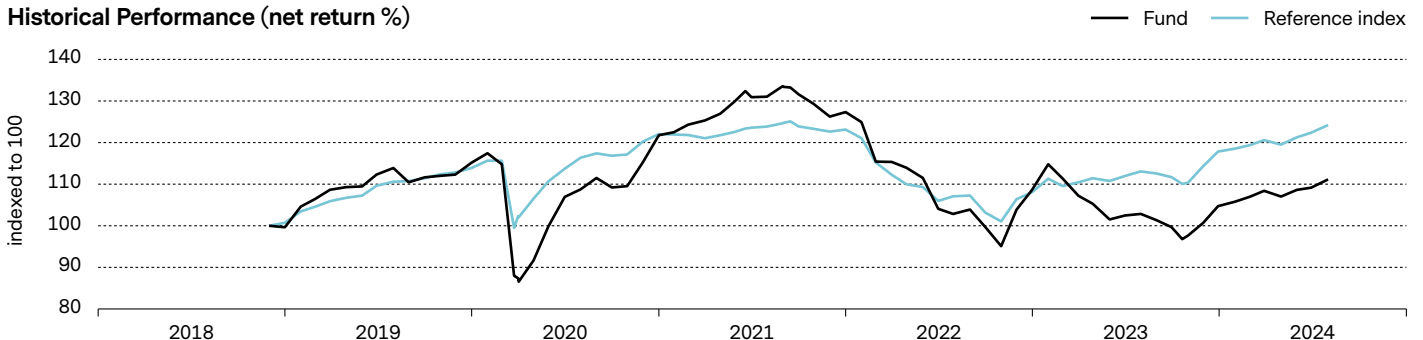
| | |
|--|--|
| Portfolio management | Wouter Van Overfelt / Sergey Goncharov |
| Fund domicile, legal structure, SFDR | Luxembourg, UCITS, Art. 8 |
| Currency of the fund / shareclass | USD / USD |
| Launch date fund / shareclass | 13.11.2015 / 30.11.2018 |
| Fund size | USD 1,166.55 mio |
| Net asset value (NAV) / share | USD 77.80 |
| Ref. index | J.P. Morgan CEMBI Broad Diversified |
| ISIN / VALOR | LU1914926925 / 44988752 |
| Management fee | 0.55% |
| Ongoing charges (incl. Mgmt. fee) as of 29.02.2024 | 0.84% |
| Maximum entry / switching / exit fee ¹⁾ | 5.00% / 1.00% / 0.30% |
| Swing pricing | Yes |
| Distribution policy | distribution, quarterly |
| Last distribution on 21.06.2024 | USD 1.12 |
| Distribution yield | 5.39% |

¹⁾ Refer to fund distributor for actual applicable fees, if any.

| Portfolio Characteristics | Fund | Ref. index |
|--|---------------|------------|
| Volatility, annualized ²⁾ | 11.31% | 7.00% |
| Sharpe ratio ²⁾ | negative | |
| Information ratio ²⁾ | negative | |
| Modified duration (years) | 4.54 | 4.21 |
| Average Rating | BB | BBB |
| Number of positions | 302 | 1,819 |
| Current Yield | 7.51% | 5.34% |
| Yield to maturity | 9.98% | 6.52% |
| Yield to worst (YTW) | 9.72% | 6.35% |
| Duration weighted Yield to Worst (YTW WD) | 8.32% | 6.18% |
| Active share (country, issuer, ISIN) | 49%, 82%, 89% | |
| Average coupon | 5.99% | 5.09% |
| Tracking error, ex-post ²⁾ | 6.27% | |
| Option-adjusted spread, OAS (basis points) | 599 | 210 |

²⁾ calculated over 3 years

Historical Performance (net return %)



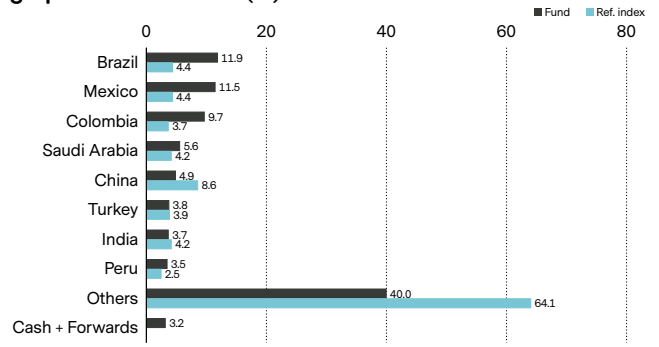
| | 1 m | year to date | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 3 yrs p.a. | 5 yrs p.a. | since inception |
|------------|-----|--------------|------|-------|------|------|------|------|------|------|------|------|------------|------------|-----------------|
| Fund | 1.8 | 6.1 | -3.5 | -14.7 | 4.6 | 5.7 | 15.6 | n.a. | n.a. | n.a. | n.a. | n.a. | -5.3 | -0.5 | 11.1 |
| Ref. index | 1.5 | 5.4 | 9.1 | -12.3 | 0.9 | 7.1 | 13.1 | n.a. | n.a. | n.a. | n.a. | n.a. | 0.1 | 2.4 | 24.2 |

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

Major positions (%)

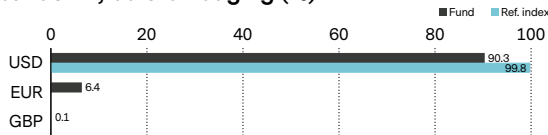
| | |
|---|-------------|
| 7.23% Steas Fund 17.03.2026 Reg-S Senior | 1.5 |
| 6.625% Poinsettia Fin 17.06.2031 Reg-S Senior | 1.4 |
| 5% Colombia 15.06.2045 Senior | 1.4 |
| 7.69% PEMEX 23.01.2050 Senior | 1.3 |
| 8.25% Transnet SOC 06.02.2028 Reg-S Senior | 1.3 |
| 4.875% MR FFEM 15.01.2028 Reg-S Senior | 1.3 |
| 5.375% Enfragen 30.12.2030 Reg-S Senior | 1.3 |
| 5.625% Brazil 21.02.2047 Senior | 1.3 |
| 4.875% Gaci 1st Invnt 14.02.2035 Reg-S Senior | 1.2 |
| 4.875% United Mex States 19.05.2033 Senior | 1.1 |
| Total | 13.1 |

Geographical breakdown (%)

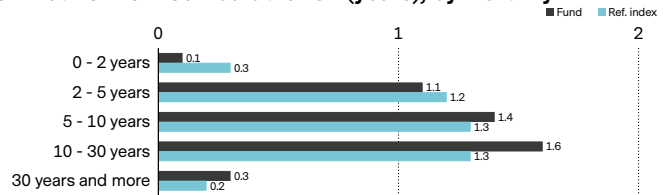


The fund may enter into interest rate derivatives, that may impact the risk and return profile of the fund. Such investments are not shown in the chart.

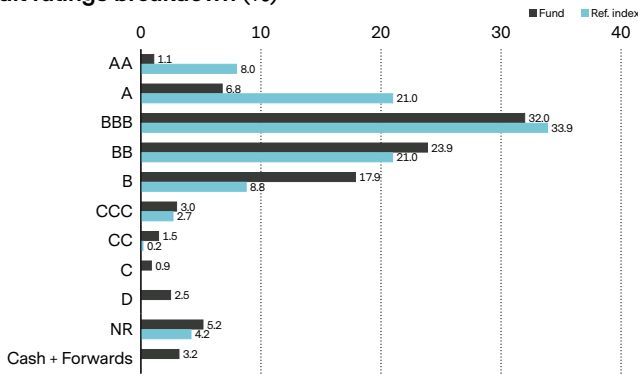
Currency breakdown, before hedging (%)



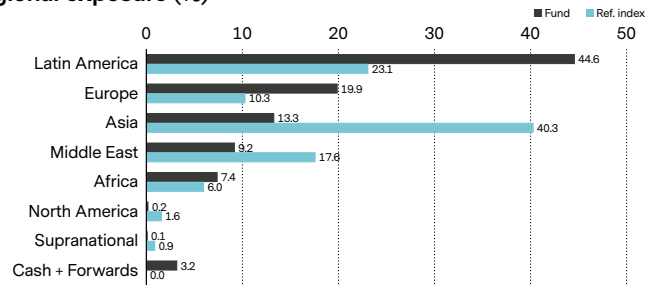
Contribution to modified duration (years), by maturity



Credit ratings breakdown (%)

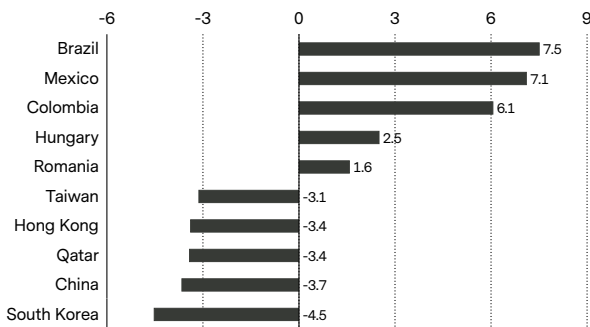


Regional exposure (%)



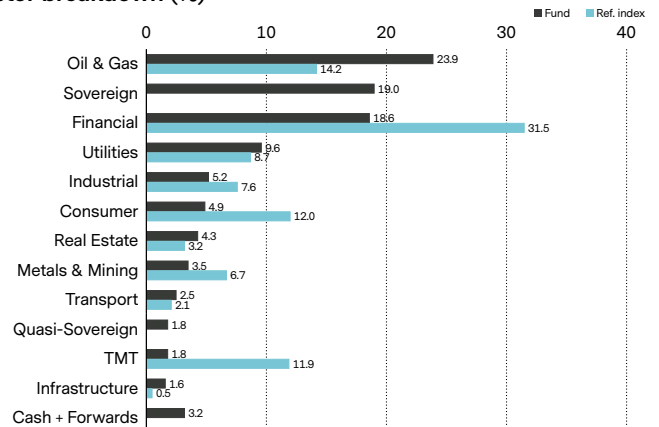
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Major country overweights / underweights (%)



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

Sector breakdown (%)

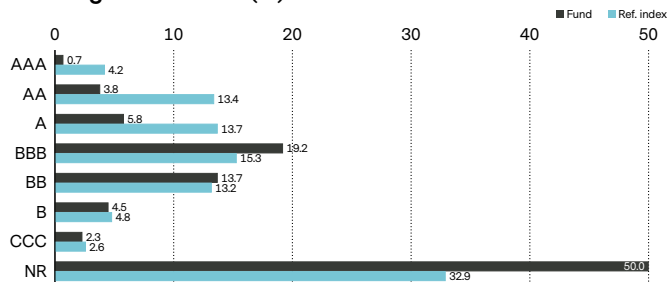


ESG profile³⁾

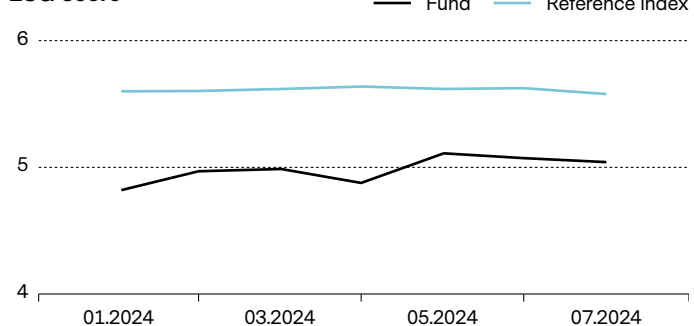
| | Fund | Ref. index |
|---|-------|------------|
| ESG rating | BBB | BBB |
| ESG ratings coverage | 50.0% | 67.1% |
| ESG score | 5.0 | 5.6 |
| Environmental score | 5.3 | 5.0 |
| Social score | 5.2 | 5.2 |
| Governance score | 4.5 | 4.6 |
| CO ₂ Intensity, wt. avg (t CO ₂ /\$M Sales) | 412.6 | 521.8 |

³⁾ Details on MSCI ESG methodology: vontobel.com/esg-valuation. This fund does not have a designated reference ESG benchmark, but applies a conventional benchmark whose construction does not take into account ESG criteria.

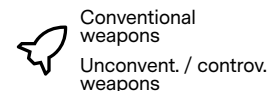
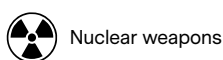
ESG ratings breakdown (%)³⁾



ESG score³⁾



Exclusion of Economic Activities⁴⁾



⁴⁾ Thresholds may apply. Please see vontobel.com/sfdr and each fund's website for further details.

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. The sustainability risks that the Sub-Fund may be subject to are likely to have an immaterial impact on the value of the Sub-Funds' investments in the medium to long term due to the mitigating nature of the Sub-Fund's ESG approach.
- The Sub-Funds' performance may be positively or negatively affected by its sustainability strategy.
- The ability to meet social or environmental objectives might be affected by incomplete or inaccurate data from third-party providers.
- Information on how environmental and social objectives are achieved and how sustainability risks are managed in this Sub-Fund may be obtained from [Vontobel.com/SFDR](https://vontobel.com/SFDR).

Glossary

Active Share (country, issuer, ISIN) measures the deviation of a portfolio (on country, issuer and ISIN basis) from its reference index, and is used to indicate how actively portfolios are managed. **Coupon** is a payment to holders of bonds on a pre-defined basis, normally with a specific periodicity and percentage. Average Coupon for a bond fund is calculated as capital-weighted average of the coupon rates of all bonds in a portfolio. **Current yield** is the %-return on a bond investment, calculated as the interest payments expected from the bonds if hold for one year, divided by the current prices of the bonds. **Derivative** is a financial security whose price is determined based on an underlying benchmark or asset such as stocks, bonds, commodities, currencies, interest rates, or market indexes. Examples are futures, options and credit default swaps. **Distribution**, or dividend, is a payment by a fund to its investors who hold distributing share classes (compartments with payouts). The distribution (or dividend) yield is calculated as all payouts over the last 12 months divided by the price per share (typically, the latest NAV), and may be affected by variable payments seasonality. **Distribution policy** of a fund defines the dividend distribution for its share classes to investors. Accumulating share classes reinvest the income received from the fund holdings back into the fund and do not distribute to shareholders. Distributing shares typically make cash payments to shareholders on a periodic basis. **Duration**, or Macaulay Duration, indicates the number of years an investor would need to maintain a position in the bond until the present value of the bond's cash flows equals the amount paid for the bond. The longer the duration, the more a bond's price will be affected by changes in interest rates. Duration may also be used to compare the risk of debt securities with different maturities and yields. **Duration weighted Yield to Worst (YTW WD)** The weighted average of the yield of all the bonds in a portfolio with the Option Adjusted Spread (OAS) duration being used as the metric to weight single bond yields. **Environmental, social and governance (ESG)** criteria are a set of metrics or ratings that are used to screen potential investments for issues that might affect the financial performance and/or have a material impact on environment and society. ESG metrics reported in this document are for informative purposes and may not be part of the fund's investment process. **ESG rating** is provided by MSCI and aims to measure a company's management of financially relevant ESG risks and opportunities. They use a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. The ESG rating of MSCI ranges from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). **ESG score** is provided by MSCI and is a measurement of a company's level of sustainability. The calculation is based on many factors and is measured on a scale range, e.g. from 0 (very poor) to 10 (very good). **Forward**, or forward contract, is an agreement between two parties to buy or sell an asset at a specified price on a future date, and is often used for hedging purposes or commodities trading.

where a forward contract can be customized to an amount, delivery date, and commodity type (e.g. food, metals, oil or natural gas). **Future**, or futures contract, is a legal agreement to buy or sell a particular commodity asset, currency or security at a predetermined price at a future point in time. They are standardized contracts in terms of quality and quantity which facilitates trading on a futures exchange. **Index** is a portfolio that holds a broad range of securities, based on pre-defined rules. Indexes such as the FTSE 100 or DAX 30 are used to represent the performance of particular markets and thus act as a reference point for performance measurement of other portfolios. An index used as reference for performance comparisons, is called a "reference index". **Information ratio** is a measurement of portfolio returns in excess of the reference index per unit of return volatility. It is used to measure a portfolio manager's ability to generate excess returns relative to a reference index. **ISIN** (International Securities Identification Number) is a unique code that identifies a specific financial security. It is assigned by a country's respective national numbering agency (NNA). **Management fee** is a fee which covers the costs charged to a fund relating to portfolio management services and, if applicable, to distribution services. **Maturity** indicates the length of time until the initial investment amount of a bond is due to be repaid. "Average maturity" is calculated on a bond portfolio by weighting each bond's residual maturity by its relative size. **Modified duration** is an adjusted version of Macaulay Duration and measures the percentage change in a bond price as a result of a change in yield. It is used to measure the sensitivity of a bond's cash flows to a change in interest rates and is more commonly used than Macaulay Duration. **Net Asset Value (NAV) / share** also known as the share price of a fund, represents the value per share of the fund. It is calculated by dividing the fund's assets less its liabilities by the number of shares outstanding. For most funds it is calculated and reported daily. **Number of positions** shows the number of single investments/securities in the portfolio of the fund. **Ongoing charges** expresses the sum of the costs of running a fund on an ongoing basis, like the 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. If the available data is insufficient, for example, for newly launched funds, ongoing charges may be estimated using data from funds with similar characteristics. **Option** is a derivative, financial instrument whose price derives from the value of underlying securities, like stocks. Call/put options give buyers the right (but not the obligation) to buy/sell an underlying asset at an agreed price and date. **Option-adjusted spread (OAS)** measures the yield differential between a bond with an embedded option and the risk-free rate of return. It allows comparing prices of bonds with different embedded options. Typically, a larger OAS implies greater returns for greater risks. **Rating**, or credit rating, assesses a bond issuer's ability to repay on time all its debt (interest and principal). High ratings, like AAA or Aaa, indicate low risk (i.e., low probability of default), while ratings such as BBB- or Baa3 indicate a higher risk. **Share class** is a compartment of a fund with a distinct client type, distribution policy, fee structure, currency, minimum investment, or other characteristics. The characteristics of each share class are described in the fund prospectus. **Sharpe ratio** measures excess return per unit of risk. The ratio is the average return earned in excess of the risk-free rate per unit of volatility. A portfolio with a higher Sharpe ratio is considered superior relative to its peers. **SRRI** is a value based on a sub fund's volatility, providing a gauge of the overall risk and reward profile of the sub fund. **Swing pricing** is an industry standard mechanism to protect long term investors in a fund against trading costs occurring when investors enter or exit the fund. This is achieved by adjusting the NAV upwards or downwards respectively so that the additional trading costs caused by subscriptions or redemptions are borne by investors trading in the fund. Full details of the Swing Pricing mechanism are given in the fund prospectus. **Tracking error** is the standard deviation of the difference between the returns of a fund and its reference index, expressed as a percentage. The more actively a fund is managed, the higher the tracking error. **VALOR** is an identification number issued by SIX Financial Information and assigned to financial instruments in Switzerland. **Volatility** measures the fluctuation of a fund's performance over a certain period. It is most commonly expressed using the annualized standard deviation. The higher the volatility, the riskier a fund tends to be. **Weighted Average Carbon Intensity (WACI)** reports the carbon emissions of companies held in a portfolio relative to the revenues they generate, excluding emissions from supply chains and products / services. **Yield to maturity (YTM)** measures the return of the fund if all the bonds in the portfolio of the fund were held to maturity. The ratio is expressed as an annual return in percent. **Yield to worst (YTW)** represents the lowest potential annual return of a bond that does not default, for instance, if a bond may be called by the issuer prior to maturity.

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This fund does not have a designated reference ESG benchmark, but applies a conventional benchmark whose construction does not take into account ESG criteria.

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 ("K(I)ID"). These documents may also be downloaded from our website at vontobel.com/am. A summary of investors rights (including information on representative actions for the protection of the collective interests of consumers under EU Directive 2020/1828) is available in English under the following link: www.vontobel.com/vamsa-investor-information. Vontobel may decide to terminate the arrangements made for the purpose of marketing its collective investment schemes in accordance with Article 93a of Directive 2009/65/EC. the representative in **Switzerland**: Vontobel Fonds Services AG, Gotthardstrasse 43, 8022 Zurich, the paying agent in Switzerland: Bank Vontobel AG, Gotthardstrasse 43, 8022 Zurich, In **Spain**, funds authorized for distribution are recorded in the register of foreign collective investment companies maintained by the Spanish CNMV (under number 280). The KID can be obtained in Spanish from Vontobel Asset Management S.A., Sucursal en España, Paseo de la Castellana, 91, Planta 5, 28046 Madrid. The fund authorised for distribution in the **United Kingdom** and entered into the UK'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 S.A., London Branch, which has its registered office at 3rd Floor, 70 Conduit Street, London W1S 2GF and is authorized 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 S.A., London Branch, on request. The KIID can be obtained in English from Vontobel Asset Management S.A., London Branch, 3rd Floor, 70 Conduit Street, London W1S 2GF or downloaded from our website vontobel.com/am.

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