

Vontobel Fund - Sustainable Emerging Markets Debt E

Approved for institutional investors in: CH

Investment objective

This bond fund aims to outperform its benchmark over a 3-year rolling period, by investing primarily in emerging market debt securities that seek to promote environmental or social characteristics.

Key features

The fund invests across emerging markets mainly in government, quasi-sovereign, and corporate bonds of diverse qualities with different maturities in various hard currencies, and seeks to promote environmental or social practices. The fund uses derivative financial instruments, primarily for hedging purposes.

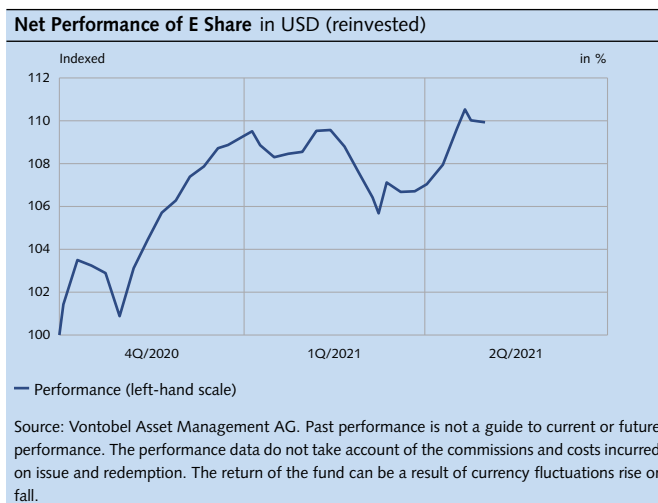
Approach

The compact and agile investment team of experienced emerging market specialists uses a proprietary sustainability model to define the investment universe. It consists of a quantitative screening based on third party and in-house provider data followed by a qualitative analysis of the material sustainability risks. The J.P. Morgan ESG EMBI Global Diversified Index is used as a performance measure. The team focuses on optimizing the level of spread 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.

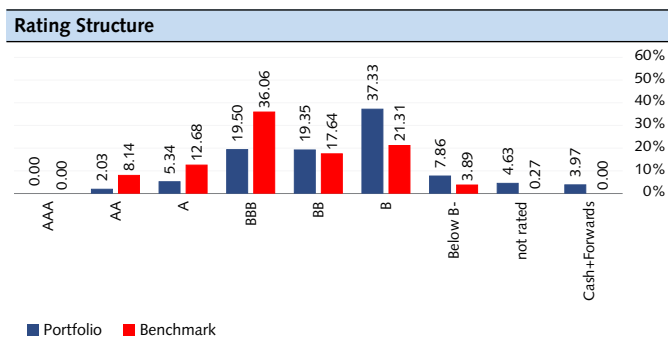
| Fund Data | |
|-------------------------|------------------|
| Portfolio Manager | Sergey Goncharov |
| Fund domicile | Luxembourg |
| Fund currency | USD |
| Share class currency | USD |
| Swinging Single Pricing | Yes |
| Net asset value | 109.93 |
| Fund volume in mln | 31.77 USD |
| Management fee | 0.150% |
| Launch date | 30/09/2020 |
| ISIN | LU2145396912 |
| Valor | 53681652 |
| Bloomberg | VOEMDEU LX |

| Net Performance of E Share (in USD and %) | | | | | | | | |
|---|--------|------|------|------|------|-----------|-----------|-----------------|
| | 1 mth. | YTD | 2020 | 2019 | 2018 | 3 y. p.a. | 5 y. p.a. | since inception |
| Fund | 3.2 | 0.6 | 9.3 | n.a. | n.a. | n.a. | n.a. | 9.9 |
| Index | 2.2 | -2.8 | 5.2 | n.a. | n.a. | n.a. | n.a. | 2.2 |
| 05.16 – 04.17 05.17 – 04.18 05.18 – 04.19 05.19 – 04.20 05.20 – 04.21 | | | | | | | | |
| Fund | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Benchmark: J.P. Morgan ESG EMBI Global Diversified hedged EUR | | | | | | | | |

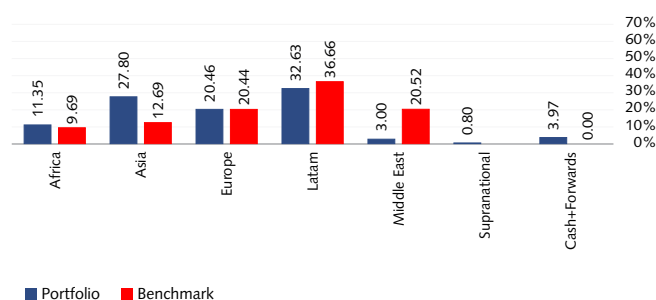
Source: Vontobel Asset Management AG. Past performance is not a guide to current or future performance. The performance data do not take account of the commissions and costs incurred on issue and redemption. The return of the fund can be a result of currency fluctuations rise or fall.



| Key Data | | |
|--------------------------------------|-----------------|-----------|
| | Portfolio | Benchmark |
| Yield to Maturity (YTM) | 6.2 | 4.0 |
| Modified Duration | 7.4 | 8.2 |
| Average Rating | BB | BB+ |
| # of Positions | 71 | 685 |
| Active Share (country, issuer, ISIN) | 51% / 75% / 94% | |



Regional Exposure



Opportunities

- + Broad diversification across numerous securities
- + 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
- + Gains through participating in the growth potential of emerging markets are possible
- + Investments in bonds with non-investment grade rating may offer an above-average yield compared with investments in first-class borrowers
- + Investments in foreign currencies might generate currency gains
- + The sustainability analysis ensures that ecological, social and governance risks are transparent and increases the potential to create added financial value

Major bond positions

| | |
|---|------|
| 6.75% Air Baltic Corp 30.07.2024 Senior | 3.5% |
| 8.375% Papua New Guinea 04.10.2028 Reg-S Senior | 3.1% |
| 12.5% Saderea 30.11.2026 Reg-S Senior | 2.9% |
| 3% Singapore Airlines 20.07.2026 Senior | 2.6% |
| 9.875% Maldives 08.04.2026 | 2.5% |
| 2.875% Montenegro 16.12.2027 Reg-S Senior | 2.5% |
| 2.375% Dev Bk Philippines 11.03.2031 | 2.5% |
| 0% Ukraine 31.05.2040 FRN Reg-S Senior | 2.3% |
| 3.068% Ferrocarriles 18.08.2050 Reg-S | 2.2% |
| 4.45% Saka Energ Indo 05.05.2024 Reg-S Senior | 2.2% |

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
- 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
- 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
- Investments in foreign currencies are subject to currency fluctuations
- 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

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 the securities of emerging- market countries may exhibit considerable price volatility and – in addition to the unpredictable social, political and economic environment – may also be subject to general operating and regulatory conditions that differ from the standards commonly found in industrialised countries. The currencies of emerging-market countries may exhibit wider fluctuations. 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. This financial product promotes environmental or social characteristics but does not have sustainable investment as its objective. Neither the Sub-Fund, nor the Management Company nor the Investment Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of an assessment of ESG research and the correct execution of the ESG strategy.

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, the representative in Switzerland: Vontobel Fonds Services AG, Gotthardstrasse 43, 8022 Zurich, the paying agent in Switzerland: Bank Vontobel AG, Gotthardstrasse 43, 8022 Zurich.

Although Vontobel Asset Management AG ("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.

Vontobel Asset Management AG
Telefon +41 58 283 71 50
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.