Vontobel Fund - Global Corporate Bond Mid Yield B

Vontobel

Approved for Wholesale/Retail investors in: CH, ES, FI, IT, LU, NO, SE.

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.

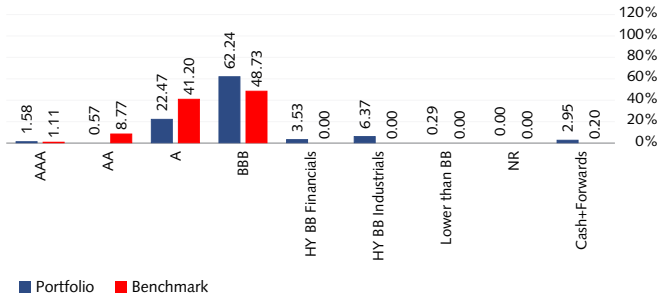
★★★
Morningstar Rating™
As of 30.06.2020

Key Data

	Portfolio	Benchmark
Yield to Maturity (YTM)	2.3	1.6
Modified Duration	8.0	7.4
Volatility*	7.47%	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 USD
Fund currency	USD
Share class currency	USD
Swinging Single Pricing	Yes
Net asset value	126.86
Fund volume in mln	564.13 USD
Share class volume in mln	11.21 USD
Management fee	1.100%
TER (per 28/02/2020)	1.36%
Launch date	09/05/2016
ISIN	LU1395536599
Valor	32261688

Net Performance of B Share (in USD and %)

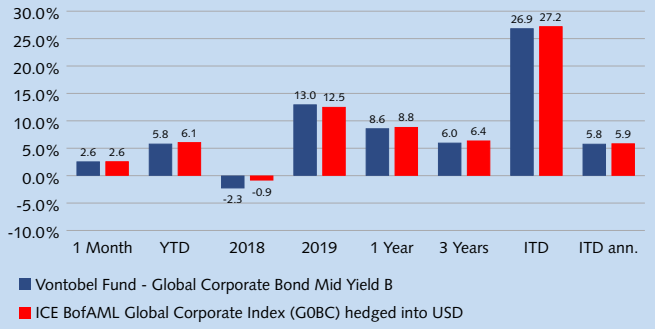
	1 mth.	YTD	2019	2018	2017	3 y. p.a.	5 y. p.a.	since inception
Fund	2.6	5.8	13.0	-2.3	6.9	6.0	n.a.	26.9
Index	2.6	6.1	12.5	-0.9	5.7	6.4	n.a.	27.2

	08.15 – 07.16	08.16 – 07.17	08.17 – 07.18	08.18 – 07.19	08.19 – 07.20
Fund	n.a.	3.1	0.1	9.6	8.6
Index	n.a.	2.0	0.5	10.0	8.8

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

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 %) B

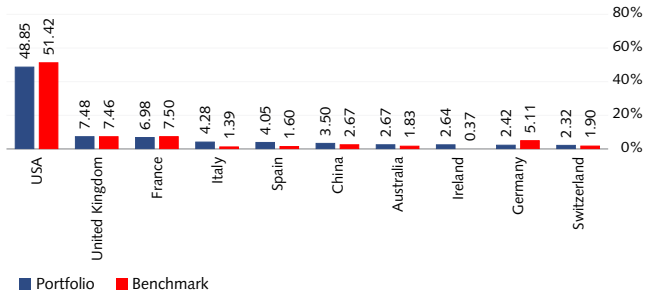


Largest issuers	
AT&T INC	2.5%
BANK OF AMERICA CORP	2.2%
UNICREDIT SPA	1.9%
CITIGROUP INC	1.8%
HCA INC	1.7%
MID-ATLANTIC INTERSTATE	1.7%
MICROSOFT CORP	1.6%
JPMORGAN CHASE & CO	1.5%
BOSTON SCIENTIFIC CORP	1.5%
VERIZON COMMUNICATIONS	1.4%

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

Top 10 Country Exposures



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:

This marketing document was produced for Wholesale/Retail clients, for distribution in: 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. Furthermore and before entering into an agreement in respect of an investment referred to in this document, you should consult your own professional and/or investment advisers as to its suitability for you.

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.

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.The KIID is available in Finnish.The KIID is available in Swedish.The KIID is available in Norwegian. 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.In Spain, funds authorised for distribution are recorded in the register of foreign collective investment companies maintained by the Spanish CNMV (under number 280). The KIID can be obtained in Spanish from Vontobel Asset Management S.A., Spain Branch, Paseo de la Castellana, 95, Planta 18, E-28046 Madrid or electronically from atencionalcliente@vontobel.es.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.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. This information was approved by Vontobel Asset Management Asia Pacific Ltd., which has its registered office at 1901 Gloucester Tower, The Landmark 15 Queen's Road Central, Hong Kong.

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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 retrospec-tively 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.