

## Vontobel Fund - Emerging Markets Debt S

Approved for institutional investors in: CH, CL, LU, SG (professional investors).

### Approach

The Vontobel Fund - Emerging Markets Debt is an active, high conviction emerging market debt fund focusing on emerging sovereign and quasi sovereign hard-currency debt. It applies both top-down and distinctive bottom-up value and contrarian approaches based on proprietary rich-cheap analysis.

### Objective

The fund aims to outperform its reference index over a rolling three-year investment cycle. To achieve this, our process is organized around the maximization of the emerging market credit spread for a given level of risk. This can be achieved by profiting from the numerous price dislocations apparent in this highly inefficient emerging debt market.

### Characteristics

The fund is generally fully invested with a minimum 2/3 of assets invested in emerging hard-currency debt. Emerging currency exposure is capped at 10% of assets.

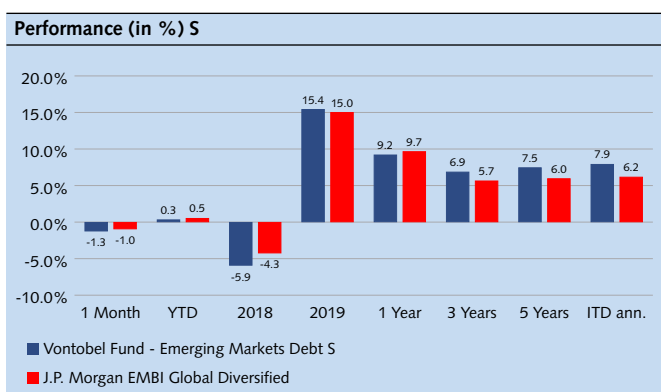
### Management team

Agile, compact and experienced portfolio manager team which places emphasis on manager accountability rather than committee based decision making. Team with a long track record in applying this distinctive, bottom-up focused process to emerging hard-currency debt. The Emerging Market Debt team is supported by the highly rated Credit, Flexible and Global Bond teams of the Vontobel Fixed Income boutique.

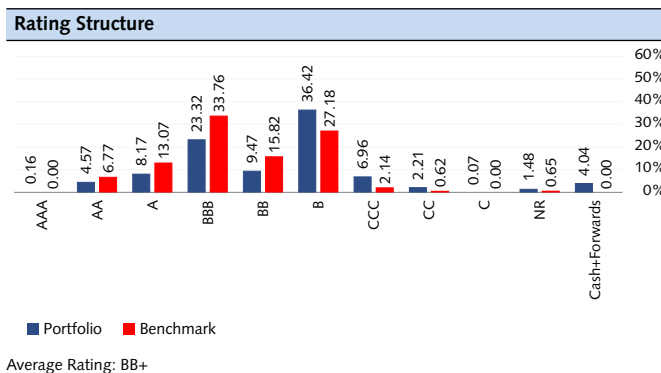


Fund Data	
Portfolio Manager	Luc D'hooge \ Wouter Van Overfelt
Fund domicile	Luxembourg
Fund currency	USD
Share class currency	USD
Swinging Single Pricing	Yes
Net asset value	147.66
Fund volume in mln	6,312.89 USD
Management fee	0.000%
TER (per 31/08/2019)	0.16%
Launch date	20/01/2015
ISIN	LU1171709691
Valor	26738515
Bloomberg	VEMKDSA LX

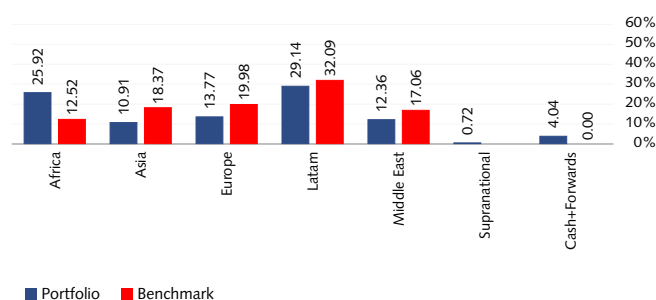
Net Performance of S Share (in USD and %)								
	1 mth.	YTD	2019	2018	2017	3 y. p.a.	5 y. p.a.	since inception
Fund	-1.3	0.3	15.4	-5.9	17.7	6.9	7.5	47.7
Index	-1.0	0.5	15.0	-4.3	10.3	5.7	6.0	35.9
		03.15 – 02.16	03.16 – 02.17	03.17 – 02.18	03.18 – 02.19	03.19 – 02.20		
Fund		-1.9	19.7	11.3	0.4	9.2		
Index		1.1	12.1	4.4	3.1	9.7		
Benchmark: J.P. Morgan EMBI Global Diversified								
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)	6.8	4.8
Modified Duration	7.3	7.6
Volatility*	5.95%	n.a.
Average Rating	BB+	BB+
# of Positions	266	780
Active Share (country, issuer, ISIN)	39% / 64% / 86%	
	* 3 years annualized	



## Regional Exposure



## Major bond positions

6.625% Cote d'Ivoire 22.03.2048 Reg-S Senior	2.2%
6.875% OCP 25.04.2044 Reg-S Senior	1.8%
1.875% Perusahaan Listrik 05.11.2031 Senior	1.8%
4% United Mex States 15.03.2115 Senior	1.7%
4.85% Czech Republic 26.11.2057 Senior	1.7%
3.875% Romania 29.10.2035 Reg-S Senior	1.7%
6.875% Cote d'Ivoire 17.10.2040 Reg-S Senior	1.6%
9.375% Angola 08.05.2048 Reg-S	1.6%
4.75% Senegal 13.03.2028	1.6%
5.625% United Mex States 19.03.2114 Reg-S Senior	1.5%

## 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
- + Gains through participating in the growth potential of emerging markets are possible

## 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.
- Investments in emerging markets may be affected by political developments, currency fluctuations, illiquidity and volatility.

**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.

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 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. In Chile the funds may not be publicly offered, neither as an entity of Vontobel or under registration with the Chilean supervisory authority ("Superintendencia de Valores y Seguros") 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 Superintendencia de Valores y Seguros of Chile (Superintendencia de Valores y Seguros) ("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).

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.

© 2020 Morningstar. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee for future results.

Vontobel Asset Management AG  
Telefon +41 (0)58 283 71 50  
[www.vontobel.com/am](http://www.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.