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Vontobel

Vontobel Fund II

Investment Company under Luxembourg law

Sales Prospectus 16 April 2025

Contents

Vontobel Fund II Sales Prospectus

Subscription of shares in the Fund is only permitted in conjunction with the valid Sales Prospectus, the Articles of Association (the “Articles”) and the latest annual report, or semi-annual report, if this is more recent. In addition, key information documents (KIDs, as defined under 5 "Definitions") shall be made available to prospective investors as part of the pre-contractual legal relationship. Further information on the Fund documents may be found in section 22.9 of the General Part of the Sales Prospectus.

1 Introduction

VONTOBEL FUND II (the "Fund") is an open-ended investment company with variable capital (Société d'Investissement à Capital Variable) incorporated on 7 September 2007 that falls within the scope of application of Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment (an undertaking for collective investments in transferable securities, "UCITS") which implements Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities into Luxembourg law (the "2010 Law"). It has been included in the list of investment companies approved by the CSSF and is supervised by the same body.

The Fund is entered in the commercial register of Luxembourg under no. B131432

The minimum capital required by law is EUR 1,250,000 (one million two hundred and fifty thousand Euros).

The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with such Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("reportable accounts"). Any such information on reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an annual and automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Fund's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Fund may:

a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;
b) report information concerning a shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a US reportable account under the FATCA Law and the Luxembourg IGA;
c) deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Fund in accordance with FATCA and the FATCA Law and the Luxembourg IGA; and
d) divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Fund has currently opted for a deemed-compliant status called collective investment vehicle. The possibility that the Fund will change or relinquish this status in future cannot however be ruled out.

No assurance can be given that the Fund will be able to comply with the requirements under FATCA and the Luxembourg IGA and, in the event that it is not able to do so, the Fund could be exposed to fines which may reduce the amounts available to it to make payments to its shareholders.

Investors or potential investors who have questions about the Fund's current FATCA status are advised to contact their relationship manager at the relevant distributor.

2 Important Information

Shares of the Fund are subscribed on the basis of the information and representations contained in this Sales Prospectus, the Fund's Articles and the latest annual report or semi-annual report if this is more recent.

As pre-contractual information, key information documents (KIDs, as defined under 5 "Definitions") shall also be made available to investors. Any other information or representation relating thereto is unauthorized. If you are in any doubt about the contents of this Sales Prospectus please consult your stockbroker, bank, legal or tax advisor or other experts.

The prevailing language for the Sales Prospectus shall be English.

All references to times relate to Luxembourg time.

The Fund and/or its Management Company shall not normally divulge any confidential information concerning the Investor. The Investor agrees that data regarding the investor contained in the application form and arising from the business relationship with the Fund and/or its Management Company may be stored, modified or used in any other way by the Fund and/or its Management Company for the purpose of administering and developing the business relationship with the Investor. To this end data may be transmitted to the Management Company' affiliates, branches, subsidiaries and parent company and each of their respective affiliates, directors, officers or employees (this shall include without limitation Vontobel Group companies and their employees), delegates, and service providers of the Fund and the Management Company, financial advisers working with the Fund and/or its Management Company, as well as to other companies being appointed to support the business relationship (e.g. external processing centers, dispatch or paying agents or facility providers).

Investors are also informed that, in general practice, telephone conversations and instructions may be recorded, as proof of a transaction or related communication. Such recordings will be processed in accordance with data protection law applicable in Luxembourg and shall not be released to third parties, except in cases where the Fund, the Management Company or/and the UCI Administrator, the Depositary or the Investment Managers are compelled or entitled by laws or regulations or court order to do so.

The Fund and/or any of its delegates and service providers may disclose or transfer personal data, whether in Luxembourg or elsewhere (including entities situated in countries outside of the European Economic Area (the “EEA”)), to other delegates, duly appointed agents and service providers of the Fund (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, technology providers for the purposes specified above.

The Fund and/or any of its delegates and service providers (together “they”) will abide by the requirements of European (“EU”), European Economic Area (“EEA”) and Swiss applicable data protection laws and regulations (incl. but not limited to the General Data Protection Regulation, “GDPR”, (EU) 2016/679) regarding the collection, use, transfer, retention, and other processing of Personal Data. In particular, they will not transfer personal data to a country outside of the EU, EEA and Switzerland unless that country ensures an adequate level of data protection, appropriate safeguards are in place or relies on one of the derogations provided for under applicable data protection laws and regulations (such as e.g. Article 46 GDPR) and such transfers and safeguards will be documented accordingly (e.g. Article 30(2) GDPR).

If a third country does not provide an adequate level of data protection, then the Fund and/or any of its delegates and service providers will ensure it puts in place appropriate safeguards such as applicable standard model clauses (which are standardized contractual clauses, approved by the European Commission).

Insofar as the data provided by investors includes personal data of their representatives and/or authorized signatories and/or shareholders and/or ultimate beneficial owners, the investors confirm having secured their consent to the processing of their personal data or unless they cannot rely on consent, they hereby expressly confirm that they may disclose the personal data to third parties in accordance with applicable data protection laws and regulations and, in particular, to the disclosure of their personal data to, and the processing of their personal data by, the Fund and the Management Company, as data controllers, and the Investment Manager(s), the Depositary, the UCI Administrator, as data processors, including in countries outside the EU, EEA or Switzerland which may not offer a similar level of protection as that under applicable data protection law in Luxembourg. State Street Bank International GmbH, Luxembourg branch, the UCI Administrator of the Fund has delegated registrar and transfer agent activities of the Fund within the State Street group.

State Street Bank International GmbH, Luxembourg branch (“SSBIL”) is part of a company operating globally and may delegate certain activities to their delegates. In connection with the registrar and transfer agent activities, personal data such as identification data, account information, contractual and other documentation and transactional information, to the extent legally permissible, may be transmitted to the affiliated entities, groups of companies or representatives of State Street abroad established in Belgium, Canada, Hong Kong, Hungary, India, Ireland, Jersey, Luxembourg, Malaysia, Poland, Singapore, the United Kingdom and in the United States of America while retaining full responsibility and overall control of all outsourced tasks and all data stored outside of Luxembourg.

You are authorized to access data relating to you at reasonable intervals free of charge, and may request correction of that data, if necessary. You may contact State Street Bank International GmbH, Luxembourg branch at PrivacyOffice@statestreet.com to exercise these rights.

The sharing of information described entails the transfer of data to a country which may not provide the same level of personal data protection as is available in the European Economic Area The delegates of State Street Bank International GmbH, Luxembourg branch are required to keep the information confidential and use it only for the purposes for which they have been made available to them and appropriate measures have been implemented.

Data subjects such as representatives, and/or authorized signatories and/or beneficial owners of investors (the “Data Subjects”) may request access to, rectification of or deletion of any personal data provided to or processed by any of the parties above in accordance with applicable law. In particular, Data Subjects may at any time object, on request and free of charge, to the processing of their personal data for direct marketing purposes. Data Subjects should address such requests to the registered office of the Management Company.

For further information about the treatment of your personal data in regard to this or your data subject rights, please consult our complete information at: GDPR landing page at: vontobel.com/gdpr. The Fund or the Management Company will accept no liability with respect to any unauthorized third party receiving knowledge of and/or having access to the investors’ personal data, except in the event of willful negligence or gross misconduct of the Fund or the Management Company.

Investors should note that any investor may only exercise his investor rights in full directly against the Fund, in particular the right to participate in annual general meetings, if the investor is entered in the Fund's register of shareholders himself and in his own name. In cases where an investor has invested in the Fund through an intermediary that undertakes the investment in its own name but on behalf of the investor, the investor may not necessarily be able to assert all investor rights directly against the Fund. Investors are therefore advised to enquire as to their rights.

Investors subscribing through an intermediary should also note that compensation payments, resulting e.g. from NAV calculation errors, non-compliance with investment rules or other errors, are initiated to intermediaries on aggregated positions registered in the shareholder register of the Fund. Investors are therefore advised to enquire the relevant intermediary as to their rights.

3 Distribution Restrictions, in particular information for prospective investors who are US persons, and FATCA provisions

The decision on registration or de-registration of any shares of the Fund or any of its Sub-Funds with any authority in any country is in the sole discretion of the Board of Directors of the Fund. Such a decision can be made by the Board of Directors of the Fund at any time and without providing any reasons.

Neither the Fund nor its shares have been registered in the United States of America under the US Securities Act 1933 or the US Investment Company Act 1940. They may not be directly or indirectly offered or sold to US persons.

As the Fund aims to be FATCA-compliant (see 1 "Introduction" above), it will only accept FATCA-compliant persons as investors. Taking into account the restriction on distribution to US persons set out in the above paragraph, permitted investors within the meaning of the FATCA provisions are therefore the following:

exempt beneficial owners, active non-financial foreign entities (active NFFEs) and financial institutions that are not non-participating financial institutions.

Should the Fund be required to pay withholding tax, disclose information or incur any other losses because an investor is not FATCA-compliant, the Fund reserves the right, without prejudice to any other rights, to claim damages against the investor in question.

This Sales Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. This Fund/these individual Sub-Funds may only be distributed in countries in which the Fund/respective Sub-Fund is licensed or authorized for distribution by the responsible authorities in the respective country. In all other cases, distribution is only permitted where it is lawful to do so through private placement in accordance with all applicable laws and regulations.

4 Fund Management and Administration

Vontobel Fund II

- **Board of Directors**
  - **Chairman**

    Dominic GAILLARD, Non-Executive Director, Küsnacht ZH, Switzerland
  - **Directors**

    Dorothee WETZEL, Managing Director, Vontobel Asset Management AG, Zurich, Switzerland

    Doris MARX, Independent Director, Luxembourg, Grand Duchy of Luxembourg
- **Registered Office of the Fund**

  49, Avenue J.F. Kennedy, L-1855 Luxembourg
- **Management Company**

  VONTOBEL ASSET MANAGEMENT S.A., 18, rue Erasme, L-1468 Luxembourg

The Board of Directors has appointed Vontobel Asset Management S.A. as the Management Company of the Fund (the "Management Company") and delegated to it the activities relating to the investment management, central administration and distribution of the Fund.

The Management Company has further delegated investment management and central administration activities with the agreement of the Fund. The Management Company itself acts as the Global Distributor.

Additionally, the Board of Directors may authorize the Management Company to take decisions on day-to-day management matters the decision power on which is assigned to the Board of Directors by virtue of the Sales Prospectus.

The Management Company supervises on a permanent basis the activities of the service providers to which it has delegated activities. The agreements concluded between the Management Company and the service providers concerned provide that the Management Company may give the service providers additional instructions at any time and withdraw their mandates at any time and with immediate effect, should they consider this necessary in the interests of shareholders. The liability of the Management Company as regards the Fund shall not be affected by the delegation.

The Management Company was established on 29 September 2000 with the name Vontobel Luxembourg S.A. On 10 March 2004 it was renamed Vontobel Europe S.A., and on 3 February 2014, it was renamed Vontobel Asset Management S.A. It is entered in the commercial register of Luxembourg (Registre de Commerce et des Sociétés) under no. B78142. Its fully paid-up share capital totals EUR 2,610,000.

The Management Company is subject to Chapter 15 of the 2010 Law and is also an external manager of alternative investment funds pursuant to Chapter 2 of the Law of 12 July 2013.

The Management Company has established and applies a remuneration policy which complies, inter alia, with the following principles in a way and to the extent that is appropriate to their size, internal organization and the nature, scope and complexity of its activities:

The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles or Articles of the Fund.

The remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the funds that it manages and of the investors in such funds, and includes measures to avoid conflicts of interest.

The assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration will be spread over the same period.

Fixed and variable components of total remuneration are appropriately balanced and the fixed component will rep-resent a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

The remuneration policy is applicable to those categories of staff and delegated staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profiles of the Management Company or the Fund.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, if any, is available at vontobel.com/am/remuneration-policy.pdf and a paper copy is made available free of charge upon request at the Management Company's registered office.

The Members of the Board of Directors of the Management Company are:

Dominic GAILLARD (Chairman), Non-Executive Director, Küsnacht ZH, Switzerland

Frederik DARRAS, Executive Director, Vontobel Asset Management S.A., Luxembourg, Grand Duchy of Luxembourg

Carmen LEHR, Independent Director, Luxembourg, Grand Duchy of Luxembourg

Christoph VON REICHE, Managing Director, Vontobel Asset Management AG, Zurich, Switzerland

The conducting officers of the Management Company are:

Frederik Darras, Vontobel Asset Management S.A.

Géraldine Mascelli, Vontobel Asset Management S.A.

Tomasz Wrobel, Vontobel Asset Management S.A.

Yann Ginther, Vontobel Asset Management S.A.

Maxime Delle, Vontobel Asset Management S.A.

The Management Company has introduced a procedure to ensure that complaints are dealt with appropriately and swiftly. Complainants may direct complaints at any time to the address of the Management Company. To enable complaints to be handled expeditiously, complaints should indicate the Sub-Fund and Share Class in which the person making the complaint holds shares in the Fund. Complaints can be made in writing, by telephone or in a client meeting. Written complaints will be registered and filed for safekeeping. Verbal complaints will be documented in writing and filed for safekeeping. Written complaints may be drawn up either in English or in an official language of the complainant's EU home country.

Information regarding the possibility and procedure of the filing of a complaint may be obtained at vontobel.com/am/complaints-policy.pdf

Information on whether and in what manner the Sub-Funds exercise the voting rights accruing to them is available at vontobel.com/am/voting-policy.pdf

The Management Company, certain Portfolio Managers, and certain Distributors are part of Vontobel Group (the "Affiliated Person"). Employees and Directors of the Affiliated Person may hold shares of the Fund. They are bound by the terms of the respective policies of the Vontobel Group or Affiliated Person applicable to them.

Investment Managers

Vontobel Asset Management AG, Gotthardstrasse 43, 8022 Zurich, Switzerland

Bank Vontobel Europe AG, Alter Hof 5, 80331 Munich, Germany

Duff & Phelps Investment Management Co, 200 S. Wacker Drive, Suite 500, 60606 Chicago, Illinois, United States of America

Sub-Investment Managers:

– Vontobel Asset Management AG, Gotthardstrasse 43, 8022 Zurich, Switzerland

Bank Vontobel Europe AG shall be Investment Manager of the following Sub-Funds: Vontobel Fund II – Active Beta and Vontobel Fund II – Active Beta Opportunities. Vontobel Asset Management AG is appointed as Sub-Investment Manager of these Sub-Funds.

The Management Company has appointed Duff & Phelps Investment Management Co as Investment Manager for the Sub-Fund Vontobel Fund II – Duff & Phelps Global Listed Infrastructure.

Vontobel Asset Management AG is investment manager of all remaining Sub-Funds.

Unless specified explicitly to the contrary, any reference in the Sales Prospectus to the Investment Managers shall include the Sub-Investment Manager. The Investment Managers are monitored by the Management Company.

Description of the Depositary

SSBIL

The Fund has appointed State Street Bank International GmbH, as its Depositary within the meaning of the 2010 Law pursuant to the Depositary Agreement. SSBIL is a credit institution in the form of a limited liability company organized under the laws of Germany, having its registered office at Brienner Str. 59, 80333 Munich, Germany and registered with the commercial register at the district court Munich under number HRB 42872, acting through its Luxembourg Branch, having its registered office at 49, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and registered with Luxembourg Trade and Companies Register under number B148186, being a credit institution meeting the requirements of Article 23 (2) (b) of the Directive, supervised by the European Central Bank (ECB), the German Federal Financial Services Supervisory Authority (BaFin) and the German Central Bank, and authorized by the CSSF in Luxembourg. State Street Bank International GmbH is member of the State Street group of companies having as its ultimate parent State Street Corporation, a US publicly listed company.

The rights and duties of the depositary (the "Depositary") are governed by the Depositary Agreement dated 7 October 2024. In performing its obligations under the Depositary Agreement, the Depositary shall observe and comply with (i) Luxembourg laws, (ii) the Depositary Agreement and (iii) the terms of this Sales Prospectus. Furthermore, in carrying out its role as depositary bank, the Depositary must act solely in the interest of the Fund and of its Shareholders.

Depositary's functions

The Depositary has been entrusted with following main functions:

– ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Articles.
– ensuring that the value of the Shares is calculated in accordance with applicable law and the Articles.
– carrying out the instructions of the Management Company and / or the Fund unless they conflict with applicable law or with the Articles.
– ensuring that in transactions involving the assets of the Fund any consideration is remitted within the usual time limits.
– ensuring that the income of the UCITS is applied in accordance with applicable law and the Articles.
– monitoring of the Fund's cash and cash flows
– safe-keeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

In carrying out its duties, the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and its Shareholders.

Depositary's liability

In the event of a loss of a financial instrument held in custody, determined in accordance with the Directive, and in particular Article 18 of the 2010 Law, the Depositary shall return financial instruments of identical type or the corresponding amount to the Fund/Management Company acting on behalf of the Fund without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the Directive.

In case of a loss of financial instruments held in custody, the Shareholder may invoke the liability of the Depositary directly or indirectly through the Fund or the Management Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary is indemnified by the Fund against all liabilities suffered or incurred by the Depositary by reason of the proper performance of the Depositary's duties under the terms of the Depositary Agreement save where any such liabilities arise as a result of the Depositary's negligence, fraud, bad faith, willful default or recklessness or the loss of financial instruments held in custody.

The Depositary will be liable to the Fund for all other losses suffered by the Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Directive and/ or the Depositary Agreement.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions, but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated those safekeeping duties set out in Article 22.5(a) of the Directive to State Street Bank and Trust Company with registered office at 1 Congress Street, Boston, Massachusetts, 02114-2016, USA, whom it has appointed as its global sub-custodian.

Information about the safekeeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Fund or at the following internet site:

https://www.statestreet.com/disclosures-and-disclaimers/lu/subcustodians

Conflicts of Interest between the Depositary and the Fund

The Depositary is part of an international group of companies and businesses ("State Street") that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under a depositary agreement or under separate contractual or other arrangements. Such activities may include:

(i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Fund;

(ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Fund either as principal and in the interests of itself, or for other clients.

The Depositary or its affiliates:

(i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and, except as required by law, the Depositary is not bound to disclose to the Fund any such profits or compensation in any form earned by affiliates of the Depositary or the Depositary when acting in any other capacity;

(ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;

(iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Fund;

(iv) may provide the same or similar services to other clients including competitors of the Fund and the fee arrangements it has in place will vary;

(v) may be granted creditors' and other rights by the Fund, e.g. indemnification which it may exercise in its own interest. In exercising such rights, the Depositary or its affiliates may have the advantage of an increased knowledge about the affairs of the Fund relative to third party creditors thus improving its ability to enforce and may exercise such rights in a way that may conflict with the Fund's strategy.

The Fund may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain any profit. The affiliate shall enter into such transactions on the terms and conditions agreed with the Fund. The Depositary will not, except as required by law, disclose any profit made by such affiliates.

Where cash belonging to the Fund is deposited with an affiliate being a bank, cash is not segregated from its own assets and a conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker.

The Fund and/or the Management Company may also be a client or counterparty of the Depositary or its affiliates and a conflict may arise where the Depositary refuses to act if the Fund and / or the Management Company directs or otherwise instructs the Depositary to take certain actions that might be in direct conflict with the interests of the investors in a Fund.

Conflicts that may arise in the Depositary's use of sub-custodians include the following broad categories:

(1) The Depositary's global sub-custodian and local sub-custodians seek to make a profit as part of or in addition to their custody services. Examples include profit through the fees and other charges for the services, profit from deposit taking activities, revenue from sweeps and repo arrangements, foreign exchange transactions, contractual settlement and commissions for sale of fractional shares;

(2) The Depositary will typically only provide depositary services where global custody is delegated to an affiliate of the Depositary. The global sub-custodian in turn appoints a network of affiliated and non-affiliated sub-custodians. Multiple factors influence the determination of the global sub-custodian to engage a particular sub-custodian or allocate assets to them, including their expertise and capabilities, financial condition, service platforms and commitment to the custody business as well as the negotiated fee structure (which may include terms that result in fee reductions or rebates to the global sub-custodian), significant business relationships and competitive considerations;

(3) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests and the fee arrangements they have in place will vary;

(4) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and

(5) sub-custodians may have creditors' rights against client assets and other rights that they have an interest in enforcing.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians. The Depositary makes available frequent reporting on clients' activity and holdings, with the underlying sub-custodians subject to internal and external control audits. Finally, the Depositary segregates the Fund's assets from the Depositary's proprietary assets and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Global Conflicts of Interest policy

State Street has implemented a global policy laying down the standards required for identifying, assessing, recording and managing all conflicts of interest which may arise in the course of business. Each State Street business unit, including the Depositary, is responsible for establishing and maintaining a conflicts of interest program for the purpose of identifying and managing organizational conflicts of interest that may arise within the business unit in connection with providing services to its clients or in delivering its functional responsibilities.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

Termination

Each of the Fund, the Management Company or the Depositary may terminate the Depositary agreement on 12 month's prior written notice.

The Depositary Agreement may also be terminated on shorter notice in certain circumstances. However, the Depositary shall continue to act as depositary until a replacement depositary being appointed and until such replacement, the Depositary shall take all necessary steps to ensure the good preservation of the interests of the Shareholders of the Fund and allow the transfer of all assets of the Fund to the succeeding depositary.

UCI Administrator (Central Administration of the Fund)
State Street Bank International GmbH, Luxembourg branch

49, Avenue J.F. Kennedy L-1855 Luxembourg

The duties of an UCI Administrator have been entrusted to State Street Bank International GmbH, Luxembourg branch (the "UCI Administrator") in terms of an administration agreement between the Fund, the Management Company and the UCI Administrator (the "Administration Agreement").

State Street Bank International GmbH, Luxembourg branch is authorized by the CSSF in Luxembourg to act as UCI Administrator of UCITS and AIFs.

Under the terms of the Administration Agreement, the UCI Administrator will carry out all general administrative duties related to the administration of the Fund required by Luxembourg law, calculate the Net Asset Value per Share, maintain the accounting records of the Fund, as well as process all subscriptions, redemptions, conversions, and transfers of shares, and register these transactions in the register of shareholders. Certain client communication functions are included in these duties, entailing production of financial reports and some other documents intended for investors and drawing-up of subscription and redemption contract notes and the certificates of title and the dispatch of such documents to investors. In addition, as registrar and transfer agent of the Fund, the UCI Administrator is also responsible for collecting the required information and performing verifications on investors to comply with applicable anti-money laundering and fight against financing of terrorism rules and regulations.

The UCI Administrator will have no decision-making discretion relating to the Funds' investments. The UCI Administrator is a service provider to the Fund and is not responsible for the preparation of this Sales Prospectus or the activities of the Fund and therefore accepts no responsibility for the accuracy of any information contained in this Sales Prospectus.

The Administration Agreement may be terminated by either the Fund, the Management Company or the UCI Administrator giving not less than twelve months' notice or such shorter notices as the parties may agree in writing (or earlier on certain breaches of the Administration Agreement including the insolvency of any of them).

The Administration Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors. The Administration Agreement contains provisions exempting the UCI Administrator from liability and indemnifying the UCI Administrator in certain circumstances. However, the liability of the UCI Administrator towards the Management Company and the Fund will not be affected by any delegation of functions by the UCI Administrator.)

Global Distributor
Vontobel Asset Management S.A.

Domiciliary Agent of the Fund
State Street Bank International GmbH, Luxembourg Branch
49, Avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg)

Auditor
Ernst & Young S.A., 35E, avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg

Paying Agents/Facility Providers
For information on the paying agent or facility provider available to you, as the case may be, see section 22.10 'Country-specific appendices' or for Italy the subscription form (modulo di sottoscrizione). For information on the Fund's European Facilities Agent please refer to section 22.12.

5 Definitions

General Part
The General Part of the Sales Prospectus describes the legal and corporate structure of the Fund and common principles applicable to all Sub-Funds.

Special Part
The Special Part of the Sales Prospectus contains information with regards to the reference currency, investment objective, investment policy, fees, expenses, commissions, typical investor profile, risk factors, Risk Measurement Approach and the historical performance of each Sub-Fund of the Fund.

Other UCI
An undertaking for collective investment within the meaning of Article 1 (2) a) and b) of Directive 2009/65/EC.

Share Classes
In accordance with the Articles, the Board of Directors may at any time establish different share classes (hereinafter 'Share Classes' or in the singular form 'Share Class') within any Sub-Fund whose assets are invested collectively, but for which a specific subscription or redemption fee structure, general fee structure, minimum investment amount, tax, distribution policy or any other characteristics may be applied.

CSSF
The Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier.

Money Market Instruments
Instruments that are liquid, usually traded on the money market and which can be precisely valued at any time.

Permitted Investments
means those Transferable Securities, Money Market Instruments, eligible investment funds, deposits, financial derivative instruments and other investments in which the Fund may invest pursuant to the 2010 Law, its Articles and the Sales Prospectus.

Regulated Market
A market as defined by Directive 2014/65/EU of 15 May 2014 on markets in financial instruments.

2010 Law or the "Law"
The Law of 17 December 2010 on undertakings for collective investment, in its respective modified form.

KID(s)
Abbreviation for Key Information Document, including the respective separate past performance document.

Member State(s)
Member State(s) of the European Union and other states which are party to the Agreement on the European Economic Area within the limits of this Agreement and of related acts.

Directive or UCITS Rules
Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended, inter alia, by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 (UCITS).

Principal Adverse Impacts
Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Reference currency
The Reference Currency is the base currency of a Sub-Fund and the currency in which the performance of a Sub-Fund is measured. The Reference Currency is not necessarily identical with the investment currency of the relevant Sub-Fund.

Tactical Exposure Management Strategy
means an investment strategy utilizing one or several proprietary quantitative models which aim to extend the gross and/or net exposure of the Sub-Fund during favorable investment periods and reduce it during adverse investment environments respectively. Thereby, the net exposure may vary between net long and net short exposures by making use of financial derivative instruments having an economic effect similar to that of short positions.

US Person
US Persons are persons who are defined as "US Persons" by any US legislative or regulatory acts (mainly the US Securities Act of 1933, as amended).

Securities (also defined as Transferable Securities)

Securities are
– equities and other equity-like securities,
– debt instruments and other securitized debt,
– all other tradable securitized rights that grant entitlement to acquire a transferable security by way of subscription or exchange.

Sustainable
Some Sub-Funds´ names may contain the designation “sustainable”. The designation "sustainable" indicates that such Sub-Funds put particular effort into making ESG (environmental, social and governance) criteria an integral part of the investment process by either avoiding financial risks stemming from ESG malpractices, avoiding investments in companies that are doing harm or by directing capital into more sustainable economic activities. Companies or countries that pursue sustainable economic activity are characterized by the fact that they take action to reduce the environmental impact of their own operations, develop or foster sustainable products and services or proactively manage their relationships with their main stakeholders (e.g. staff, clients, lenders, shareholders, government, natural resources, and local communities). In addition, such Sub-Funds may invest in future-oriented themes, sectors and activities, such as renewable energy, energy efficiency or resource-saving technologies. Individual sectors may be excluded.

Since a comprehensive analysis process is required to assess whether the sustainability criteria have been met, the Investment Manager may avail of the support of specialized rating agencies.

Sustainable Finance Disclosure Regulation (“SFDR”)
means regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

For the purposes of the SFDR (and the EU Taxonomy), the Management Company meets the criteria of a “financial market participant” whilst each Sub-Fund of the Fund qualifies as a “financial product”. For further details on how a Sub-Fund complies with the SFDR requirements, please refer to the appendices and annexes in the Special Part of this Sales Prospectus for the relevant Sub-Fund. In particular, the relevant appendix and the annex will set out further details on how a Sub-Fund’s investment strategy is utilized to attain environmental or social characteristics, or whether a Sub-Fund has Sustainable Investment as its investment objective.

The Management Company delegates investment management activity of each Sub-Fund to Investment Managers. Each of the Investment Manager have integrated Sustainability Risks in its investment decision-making process for all managed strategies of its (respectively) managed Sub-Fund(s), with the purpose of identifying, assessing and where possible and appropriate, seeking to mitigate these risks. The results of this assessment will be disclosed under the relevant appendix of the Sub-Funds.

The Management Company considers the principal adverse impacts of investment decisions on sustainability factors in accordance with SFDR. A statement with respect to those impacts is published on Vontobel.com/sfdr.

The Investment Managers consider principal adverse impacts in their investment process. All Sub-Funds are subject to the exclusion of companies with exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

The annexes for Sub-Funds that have investment strategies utilized to attain environmental and/or social characteristics or have Sustainable Investment as their investment objective may contain further information on how Principal Adverse Impacts on sustainability factors are considered for these Sub-Funds.

Further information regarding the assessment of principal adverse impacts on sustainability factors is available in the ESG Investing and Advisory Policy Statement at vontobel.com/SFDR.

Information on Principal Adverse Impacts on sustainability factors will also be available in the Fund's annual report.

Sustainability Risk(s)
means an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment. Such risks include, but are not limited to: climate-related and environmental risks (such as environmental product stewardship, footprint, natural resource management, alignment with local and international targets and laws, Effects of climate change on agriculture or effects of rising sea level); social risks evaluated as material for the sector (including, without limitation, matters relating to treatment and welfare of employees, supply chain management, data security & privacy, business ethics, severe human rights violation by governments or abuse of civil liberties); governance risks (including, without limitation, business ethics, rights of minority shareholders, independence of board oversight, ownership structures, related party transactions, political stability, economic, political and social framework or government effectiveness); critical sustainability controversies, and violations of global norms.

Sustainability Factor(s)
mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Sustainable Investment
means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy,
renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labor relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employees relations, remuneration of staff and tax compliance.

EU Taxonomy
means regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

The EU Taxonomy regulatory framework currently only provides technical screening criteria for the environmental objectives of climate change mitigation and climate change adaptation. Accordingly, funds that have environmental objectives or promote environmental characteristics other than climate change mitigation or climate change adaptation or that have social investment objectives or promote social characteristics cannot take into account any such criteria for the time being.

Green Bond/Social Bond Principles
are voluntary process guidelines issued by the International Capital Market Association (ICMA) that recommend transparency and disclosure and promote integrity in the development of the Green Bond and Social Bond markets by clarifying the approach for issuance of a Green Bond respectively a Social Bond. The Green Bond Principles and the Social Bond Principles have the following four core components:

(i) use of proceeds,

(ii) process for project evaluation and selection,

(iii) management of proceeds, and

(iv) reporting.

Vontobel Group
"Vontobel Group" means Vontobel Holding AG, Zurich, and all direct and indirect subsidiaries of Vontobel Holding AG and all of their affiliates, directors and employees. A reference to subsidiary means, from time to time, any corporation which is under the control of Vontobel Holding AG either directly or indirectly (de jure control), or Vontobel Holding AG directly or indirectly controls at least 50% of the voting rights of such corporation.

General Part

6 The Fund

The Fund was set up as a public limited company under Luxembourg law and has the specific legal form of an investment company with variable capital (société d'investissement à capital variable - SICAV). A number of different Share Classes may be issued within any single Sub-Fund. The Fund has its own legal personality.

6.1 Sub-Funds

The Fund is structured as an umbrella Fund, i.e. the Board of Directors may at any time establish one or more Sub-Funds under the umbrella pursuant to the 2010 Law. Each of these Sub-Funds consists of a portfolio of eligible transferable securities or money market instruments, other legally permissible assets as well as of liquid assets, which are managed with the aim to achieve the investment objective of the relevant Sub-Fund and in accordance with its investment policy. The individual Sub-Funds may differ from each other with respect, in particular, to their investment objectives, investment policy, Share Classes and the value of Share Classes, Reference Currency or other features, as set out in all details in the Special Part for the relevant Sub-Fund.

Under Luxembourg Law, the assets and liabilities of different Sub-Funds are segregated from each other, so that the claims of shareholders and creditors in relation to each Sub-Fund are limited to the assets of the Sub-Fund concerned.

The shareholders investing in any Sub-Fund are liable only for the amount of their investment in this Sub-Fund.

6.2 Share Classes

The Board of Directors may at any time decide to issue the Share Classes listed below for each Sub-Fund. Share classes may be issued in the reference currency of the Sub-Fund or in alternative currencies and may be either accumulating or distributing. If the alternative currency is hedged against currency fluctuations with respect to the reference currency of the Sub-Fund, this will be indicated by the addition of the letter "H" and the term "hedged" to the name of the Share Class. The net asset value and, accordingly, the performance of the corresponding hedged shares may differ from the net asset value of the corresponding shares in the reference currency. As noted below, certain Share Classes are reserved for specific investors. Not all Share Classes are available in all countries in which the Fund has been approved for distribution:

a) Share classes with entitlement to distributions, subject however to any provision to the contrary in the Special Part:

   – A shares may be subscribed by any type of investor and distribute annually;

   – AM shares may be subscribed by any type of investor and distribute monthly;

   – AQ shares may be subscribed by any type of investor and distribute quarterly;

   – AS shares may be subscribed by any type of investor and distribute semi-annually;

   The Board of Directors may, at its sole discretion, resolve on the amounts to be distributed to the shareholders.

   The Board of Directors may decide to issue gross distributing share classes which may pay out distributions gross of fees and expenses. To achieve this, all or part of their fees and expenses may be paid out of capital, resulting in an increase in distributable income for the payment of dividends to such classes of shares. This may result in distribution of income and, in addition, both realized and unrealized capital gains, if any, and capital attributable to such Shares within the limits set up by Luxembourg law. Distribution of capital represents a withdrawal of part of an investor's original investment. Such distributions may result in a reduction of the net asset value per Share over time and the net asset value per Share may fluctuate more than other Share Classes. These gross distributing share classes will be indicated by the addition of the term "Gross" to the name of the Share Class entitled to distributions.

   The use of income, and in particular any final distribution amount to be paid out, will be decided for each Share Class by the general meeting of Shareholders of the Fund, which may override the distribution provisions set out in the Sales Prospectus.

   The Board of Directors may at any time decide to issue Share Classes with entitlement to distribution which are combined with characteristics of the following accumulation Share Classes (e.g. "AQG" share classes). These Share Classes will be entitled to distributions but provide apart from that the same characteristics as accumulation shares.

b) Share classes not entitled to distributions (accumulation shares), subject however to any provision to the contrary in the Special Part:

   – B shares may be subscribed by any type of investor and are accumulating (no distribution);

- C shares may be subscribed by any type of investor and are accumulating (no distribution). They are only available through specific distributors;
- E shares may be subscribed only by institutional investors in the sense of Art. 174 par. 2 lett. c) of the Law of 2010 and are accumulating (no distribution). The Board of Directors may at any time decide to close E shares for subscriptions by further investors upon reaching a certain amount of subscription monies. Such amount will be determined per Share Class per Sub-Fund. The Board of Directors reserves the right to determine the Management Fee per Share Class per Sub-Fund
- F shares may be subscribed only by institutional investors in the sense of Art. 174 par. 2 lett. c) of the Law of 2010, which invest and hold at least 20 million in the currency of the Sub-Fund or who have concluded a corresponding agreement with a company in the Vontobel Group. F shares are accumulating (no distribution) and shall be issued only by Sub-Funds which envisage a Performance Fee in the Special Part applicable to the relevant Sub-Fund; F shares shall provide a higher management fee than other share classes for institutional investors whereas a Performance Fee shall not be calculated for and not be charged to the F shares.
- G shares are reserved exclusively for institutional investors in the sense of Art. 174 par. 2 lett. c) of the 2010 Law which invest and hold at least 50 million in the currency of the Sub-Fund. An investor is still considered eligible for this Share Class if the value of his holdings falls below the above minimum holding threshold due to market movements. G Shares are accumulating (no distribution);
- H (hedged) shares may be subscribed by any type of investor and are accumulating (no distribution) and are issued in a currency other than the reference currency of the relevant Sub-Fund. The subscription currency of the Share Class is always hedged against the reference currency of the relevant Sub-Fund. However, the extent of the hedge may slightly fluctuate around the full hedge level;
- PH (partially hedged) shares may be subscribed by any type of investor, are accumulating (no distribution) and are issued in a currency other than the reference currency of the relevant Sub-Fund. PH (partially hedged) shares will seek to hedge only exposure to the proportion of the main investment currency of the portfolio of a Sub-Fund against the currency of the Share Class. Investors should be aware that these Share Classes will retain a level of currency exposure to the other investment currencies of the Sub-Fund portfolio other than the main investment currency. This exposure can be significant. For example: The Reference Currency of a Sub-Fund is USD, the Share Class currency is CHF and the main part of the Sub-Fund’s assets is invested in EUR. This PH CHF Share Class seeks to hedge only the proportion of the EUR portion of the Sub-Fund’s portfolio against CHF. The PH CHF share class thus will retain currency exposure to the other investment currencies of the Sub-Fund’s portfolio.
- I shares may be subscribed only by institutional investors in the sense of Art. 174 par. 2 lett. c) of the 2010 Law and are accumulating (no distribution);
- N shares may be subscribed only
  - by investors who are prohibited from accepting and retaining inducements from third parties under applicable laws and regulations or court rulings, such as in the United Kingdom and the Netherlands and
  - by investors with separate fee arrangements with their clients for the provision of discretionary portfolio management services or independent advice services or who have a separate fee arrangement with their clients in cases in which they have agreed not to accept and retain inducements from third parties.

  The shares are accumulating (no distribution) and do not grant any rebates or retrocessions to the investors;
- R shares may be subscribed only by investors who are entitled, according to staff regulations of Vontobel Group, to hold shares in their respective account / deposit at Bank Vontobel AG, Zurich, according to employee terms or who have concluded a special agreement with a Vontobel Group entity. Employee means a person with a labor contract with a Vontobel Group entity or retiree and their spouses, partners, and descendants living in the same household. It is possible that these shares will be subscribed and held by persons who have access to non-public, material information in relation to the relevant Sub-Fund. In order to prevent conflicts of interest, the Vontobel Group and associated companies have issued corresponding directives, compliance with which is constantly monitored;
- S shares may be subscribed only by institutional investors in the sense of Art. 174 par. 2 lett. c) of the 2010 Law which have concluded a corresponding agreement with a company in the Vontobel Group (including the Management Company) and are accumulating (no distribution). Neither management fee nor performance fee are charged for the S Share Class. Fees are charged directly by the company in the Vontobel Group to the investor under the aforementioned corresponding agreement;
- U shares may be subscribed by any type of investor and are accumulating (no distribution). Provisions governing issuance of fractions of shares are not applicable to U Shares. Converting U Shares into Shares of other Share Classes in the Fund is not permitted;

- V shares are reserved exclusively for institutional investors in the sense of Art. 174 par. 2 lett. c) of the 2010 Law, who are a company in the Vontobel Group or have a cooperation agreement with a company of the Vontobel Group. V Shares are accumulating (no distribution) and do not grant any rebates or retrocessions to the investors;
- X shares may be subscribed only by institutional investors in the sense of Art. 174 par. 2 lett. c) of the 2010 Law which invest at least 50 million in the currency of the Sub-Fund per initial subscription and who have concluded a corresponding agreement with a company belonging to the Vontobel Group. X shares are accumulating (no distribution);
- Y shares are reserved exclusively for institutional investors in the sense of Art. 174 par. 2 lett. c) of the 2010 Law which invest and hold at least 500 million in the currency of the Sub-Fund. An investor is still considered eligible for this Share Class if the value of his holdings falls below the above minimum holding threshold due to market movements. Y Shares are accumulating (no distribution).

The Board of Directors may at any time decide to issue Share Classes which provide a combination of various characteristics of Share Classes.

The above-mentioned Share Class types or combinations thereof may contain the additional denominations from "1" to "10". These Shares shall have the same architecture as the Share Classes from which they have been derived, but shall have one or another feature distinguishing them from the Share Classes from which they have been derived. Such special feature may include distributors who are domiciled in certain countries or carry out their business in those countries and who act on behalf of their own clients (who may be any type of investor) providing they fulfill the general eligibility criteria for the relevant Share Class, investors who have concluded a corresponding agreement with a company belonging to the Vontobel Group or similar.

There is a required minimum investment and/or holding amount for the acquisition and/or holding of Shares in several Shares Classes as set out above. The Board of Directors or the Management Company, after taking into consideration the equal treatment of the shareholders, have discretion to permit a lower minimum investment/holding amount in qualifying cases.

If a shareholder of any Share Class does not or does no longer fulfil the criteria provided for an investor in this Share Class, the Fund shall be entitled to repurchase the shares concerned in accordance with the provisions for redemption in the Sales Prospectus. The shareholder shall be informed that such measure has been taken. Alternatively, the Board of Directors may offer to such investor to convert the shares concerned into shares of another Share Class for which the investor fulfils all the eligibility criteria.

A number of different Share Classes may be issued within a single Sub-Fund.

A Share Class does not contain a separate portfolio of investments. A Share Class is therefore also exposed to the risks of liabilities that have been entered into for another Share Class of the same Sub-Fund, e.g. from currency hedging when setting up hedged Share Classes. The absence of segregation may have a negative impact on the net asset value of non-hedged Share Classes (so-called contagion risk). A list of share classes with a contagion risk is available to investors, upon request, at the registered office of the Management Company and will be kept up-to-date.

The current Sales Prospectus as well as the KIDs of the Sub-Funds are available from the UCI Administrator, the Depositary and its representatives and the Paying and Information Agents or facility providers for the countries in which the Fund has been approved for distribution (where provided for).

Further details of available Share Classes can be obtained from the registered office of the Fund or the Management Company and are available along with current prices and KIDs at vontobel.com/am at any time.

7 Notice Regarding Special Risks

This section describes the main risks that prospective investors should consider prior to investing in the Fund and existing investors should consider when monitoring their investment in the Fund.

The redemption proceeds that the investors receive at the end of the holding period in the Fund shall depend on various circumstances, such as market development, receipt of dividends by the investors during the holding period, performance of the currency in which the investors made their investment against the Reference Currency of the relevant Sub-Fund, if different.

It is possible that the redemption proceeds received by investors shall be less than the originally invested amount. It cannot be further ruled out that the investors experience a total loss by investing in the Fund or in any of its Sub-Funds. However, the maximum loss that an investor may incur is limited to this investor’s investment in the relevant Sub-Fund.

The investors' attention is drawn to the fact that past performance is no guarantee of future results.

No guarantee can be given that the investment objective of a particular Sub-Fund will be achieved.

Market Risk

An investment in the Fund is subject to the general risks of investments, namely the risk that the value of the invested capital may decrease in response to the development or prospects of global economy, sectors, industries, individual companies or securities issuers and similar.

Market Disruption Risk

Local, regional or global instability, natural and technical disasters, political tension and war, terrorist attacks and cyberattacks, and the threat of a local, regional or global pandemic and other kind of disaster may adversely affect the performance of the local, regional or global economy. These effects include market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. This may result in long-term effects on local, regional and worldwide financial markets and may cause further economic uncertainties in one or more countries, regions or worldwide. It is not possible to predict the effects of significant future events on the global economy and securities markets. A similar disruption of the financial markets could impact interest rates, credit risk, inflation and other factors which cannot always be determined and addressed in advance.

Compliance with sanctions

The Management Company operates a program reasonably designed to ensure compliance generally with economic and trade sanctions-related obligations applicable directly to its activities (although such obligations are not necessarily the same obligations that the Fund may be subject to). Such economic and trade sanctions may prohibit, among other things, transactions with, investments in and the provision of services to, directly or indirectly, certain countries, territories, entities and individuals. These economic and trade sanctions, and the application by the Management Company of its compliance program in respect thereof, may restrict or limit the Fund's investment activities as no Sub-Fund will invest in financial instruments issued by sanctioned countries, territories and/or entities.

Liquidity risk

Liquidity risk refers to the inability of a Sub-Fund to sell a security or liquidate a position at its quoted price or market fair value due to such factors as a sudden change in the perceived value or credit worthiness of the issuer of a security or the security itself resp. of the counterparty to a position or of the position itself, or due to adverse market conditions generally, in particular an adverse change in demand and supply of a security or bid and ask quotes on a position, respectively. Markets where a Sub-Fund's securities are traded could also experience such adverse conditions as to cause exchanges to suspend trading activities. A common consequence of reduced liquidity of a security resp. of a position is an additional, as opposed to the usual bid-ask spread charged by the brokers, discount on the selling resp. liquidation price. In addition, reduced liquidity due to these factors may have an adverse impact on the ability of a Sub-Fund to meet redemption requests, or to meet liquidity needs in response to a specific economic event in a timely manner.

In general, securities purchased resp. positions entered into by a Sub-Fund are sufficiently liquid, so that no liquidity issues normally arise during the course of the Sub-Fund's business. However, certain securities might be or become illiquid due to a limited trading market, financial weakness of the issuer, legal or contractual restrictions on resale or transfer, political or other reasons. Such securities may be for example securities issued by issuers in emerging markets, by small or medium size companies, by companies in small market sectors or industries, or high yield/non-investment grade securities.

Securities that are illiquid involve greater risk than securities with more liquid markets. Market quotations for such securities may be volatile and/or subject to large spreads between bid and asked prices as the traders look for a protection from the risk of being not able to dispose of the security or to liquidate the position they enter into.

Essentially, liquidity risk is a risk that demand and supply of a financial instrument or any other asset is not sufficient to establish a sound market in this instrument or other asset. Accordingly, it may take longer to sell the instrument. The less liquid an instrument, the longer it might take to sell it.

Some Sub-Funds may have a liquidity profile that allows less frequent trading in the relevant Sub-Fund, in particular redemptions, than daily. Minimum required frequency of the trading in the Fund is bi-weekly, i.e. at least twice a month. The investors should bear this in mind by making their investment decisions. In addition, the settlement of the redemption applications may be significantly longer than the settlement cycles of other instruments which may lead to mismatches in the availabilities of the funds and should, therefore, be taken into account by planning the re-investment of the redemption proceeds.

Potential Trading restrictions

In principle, each Sub-Fund will typically make investments for which a liquid market exists or which can otherwise be sold, liquidated or closed at any time within a reasonable period of time. However, in certain circumstances, the Investment Manager may from time to time receive material non-public information ("**MNPI**") on the securities they hold or their issuer. In such a scenario, a particular portfolio manager, investment team or the Investment Manager as a whole which receives MNPI on securities or their issuers, will be restricted from trading the relevant securities until the MNPI is made publicly available. While it is expected that such trading restrictions will be limited in time and for only a small number of positions, they may temporarily impact the liquidity or performance of the relevant Sub-Fund.

Counterparty risk

A Sub-Fund could lose money if the Sub-Fund's counter-party (e.g. the issuer of a fixed income security, or the counterparty to a derivatives contract), is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of counterparty risk, which are often reflected in credit ratings. If a security is unrated, a Sub-Fund may invest in such a security if such security is determined by the Investment Managers to be of comparable credit quality to the rated securities in which the Sub-Fund is permitted to invest. With OTC derivatives, there is a risk of a counterparty of a transaction being unable to meet its obligations and/or a contract being terminated, e.g. due to bankruptcy, subsequent illegality or the amendment of statutory tax or accounting regulations vis-à-vis the provisions in force at the time the OTC derivatives contract was concluded.

Sustainability

Some Sub-Funds follow an ESG strategy and apply either minimum exclusion criteria and/or certain internal and/or external ESG rating assessments which may affect the Sub-Fund's investment performance positively or negatively since the execution of the ESG strategy may result in foregoing opportunities to buy certain securities, and/or selling securities due to their ESG-related characteristics.

In assessing the eligibility of an issuer based on ESG research, there is a dependence upon information and data from third party ESG research data providers and internal analyses which may be based on certain assumptions or hypotheses that render it incomplete or inaccurate. As a result, there is a risk of inaccurately assessing a security or issuer. There is also a risk that the Investment Manager may not apply the relevant criteria of the ESG research correctly or that the Sub-Funds could have indirect exposure to issuers who do not meet the relevant criteria. Neither the 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.

Investors may have different views regarding what constitutes sustainable investing or a sustainable investment. While the SFDR provides for a harmonized definition of the term 'sustainable investment', it is a new regulation and, accordingly, some of the elements of that definition may still be interpreted differently by different market players. Within the requirements set by the SFDR's regulatory framework, a Sub-Fund following an ESG strategy may invest in issuers that do not reflect the beliefs and values of any specific investor.

Model Risk

The achievement of the investment objective of a Sub-Fund may be highly dependent upon investment strategies utilizing one or several quantitative models developed by the Investment Managers. Despite substantial efforts that the Investment Managers commit to developing, updating and maintaining such quantitative models, there can be no assurance that the Investment Managers will be successful in developing effective quantitative models or that previously successful quantitative models will not produce losses in the future as assumptions underlying such quantitative models may not prove correct in all market environments.

Equities

The main risks associated with investments in equity include in particular high positive correlation of equity markets with the business cycle of the economy. In other words, during the expansion of the economy and growth of gross domestic product, the equities exhibit growth as well, whereby having an – theoretically – unlimited upside potential. On the other hand, during the economic recession, the equities perform poorly with a potential of the complete loss of the investment.

From the legal perspective, equities are outright positions and constitute, accordingly, an ownership on the issuer in question. This means that an equity holder fully participates in the relevant issuer's operational and other gains and losses. In case of third parties' claims, the paid-in capital and additional capital paid to the company as equity, if any, shall be used to satisfy such claims if the net assets of the company do not suffice to do so. This capital (in addition to the net assets of an issuer) must be used to the extent necessary to satisfy claims of third parties, including its full usage. This would lead to an according loss of the investment in the issuer in question.

From the corporate finance perspective, equities have the most subordinated status towards other capital lenders of the relevant issuer (e.g. preferred stocks, bonds, money market instruments). This means that in case of a financial distress of the issuer, the equity holder absorbs losses to the full extent, including the case of the full loss of the investment in the issuer in question.

The systematic risk of the equity investment is measured by its beta. The beta of the market portfolio equals one.

Investments in Small- and Mid-Cap Equities

While small and midsize companies may offer substantial opportunities for capital growth, in particular in the niche exploitations or for the portfolio managers pursuing bottom-up strategies, they also exhibit substantial risks as compared to the investments in the large cap companies and should be considered speculative.

Securities issued by the small and midsize companies are, normally, more volatile in price than the securities issued by larger companies, especially over the short term, and their bankruptcy rate is, normally, higher than that of the large cap companies.

The reasons for the greater price volatility and higher bankruptcy rate include, but are not limited to, the less certain growth prospects of small and midsize companies, the lower degree of liquidity in the markets for such securities and the greater sensitivity of small and midsize companies to changing economic conditions, in particular to market corrections, market disruptions or economic crises. In addition, small and midsize companies may lack depth of management and lack of access to the external capitalization sources which are usually less available to such companies as compared to financing opportunities of larger companies. These constraints may result in limited production development, marketing constraints and inferior capabilities to benefit from economies of scope. Failed projects are likely to have higher financial impact on such companies as compared to the larger companies and may even present a threat to their existence. Small and midsize companies are also more vulnerable to non-financial risks (such as key man risk) as compared to the bigger companies. While the latter are more likely to absorb these risks without any perturbance of the ongoing operations (e.g. because of a significantly deeper pool of internal resources), the risks may prove to be disruptive or even threatening the existence of small and midsize companies.

Fixed-Income Asset Class

Investments in fixed-income securities are subject to a number of risks. The most significant risks are thereby interest rate risk and credit risk.

The interest rate risk is a risk of a decrease in the value of a fixed-income security if interest rates rise. The portfolio manager may observe and actively stir the sensitivity of the fixed-income security's price to the change in interest rates (duration) by using derivative instruments.

The credit risk (also, counterparty risk) is the risk that the issuer of a fixed-income security shall fail to perform a payment when due (default risk) or the rating of such an issuer shall be decreased by a rating agency (downgrade risk) or the yield spread of the issuer to the risk-free rate or other benchmark widens for any other reasons (credit spread risk).

Government debt

Government debt securities are subject to market risk, interest rate risk and credit risk. Governments, particularly in Emerging Markets, may default on their sovereign debt and holders of sovereign debt (including the Sub-Funds) may be requested to participate in the rescheduling of such debt. There is no bankruptcy proceeding by which sovereign debt on which a government has defaulted may be collected in whole or in part. Global economies are highly dependent on one another and the consequences of any default of any sovereign state may be severe and far reaching and could result in substantial losses to a Sub-Fund.

Credit-linked notes

Credit-linked notes are bonds whose redemption value is dependent on certain contractually-agreed credit events.

Investments in credit-linked notes are subject to particular risks: (i) a credit-linked note is a debt security that reflects the credit risk of the reference person(s) and of the issuer of the credit-linked note and (ii) there is a risk associated with the payment of the coupon connected to the credit-linked note: when a credit event occurs on the part of a reference person in a basket of credit-linked notes, the coupon to be paid is adjusted by the correspondingly reduced par value. The remaining invested capital and the remaining coupon are thus subject to the risk of further credit events. In extreme cases the entire invested capital may be lost.

Investments in High-Yield Securities

The investment policy of certain Sub-Funds as set out in the Special Part may include investments in higher-yielding and more risky bonds which are generally considered to constitute more speculative investments. These bonds comprise a higher credit risk, higher price fluctuations, a higher risk of loss of capital deployed and of ongoing earnings than bonds with a higher credit rating.

Asset-Backed/ Mortgage-Backed Securities (ABS/MBS)

Asset-backed securities (ABS) are securities issued by special purpose vehicles (SPV) and are backed by a pool of assets, such as auto, student, home equity and other loans, credit card receivables or similar that provide funds for interest payments to the ABS investors and for the repayment of the invested principal. In case of mortgage-backed securities (MBS), the securities are secured by a pool of mortgages. The SPV is established with the sole purpose to issue and to administer the ABS/MBS and is fully independent from the entity granted the underlying receivables ("off-balance sheet"). One of the main purposes of ABS/MBS is to reallocate credit and prepayment risks among the investors which is achieved by creating different tranches within the securities that have a senior-subordinated structure as regards the credit and prepayment risks. The attention of the investors is drawn to the fact that the structure of the ABS/MBS and the pools backing them are often intransparent and the Sub-Fund may expose a greater credit and prepayment risks (extension or contraction risks) depending on which tranche of ABS/MBS is purchased by the Sub-Fund.

Risks Associated with the investment in contingent convertible instruments (CoCo-Bonds)

Contingent convertible instruments are hybrid instruments with embedded derivatives. In contrast to the convertible bonds in which the embedded options give a right to the bondholder to convert a fixed-income security into an equity of the same issuer, a conversion in the case of CoCo-Bonds (from a fixed-income security into equity) occurs automatically upon a certain pre-defined event or a set of events (a so-called trigger). The conversion takes place at the pre-determined conversion rate.

While the investments in CoCo-Bonds are considered to harvest an above-average yield, the investments may entail significant risks.

These risks may include the following:

– Trigger level risk: The trigger levels may differ. Depending on the trigger level in the relevant issue (i.e. the distance between the capital ratio and the trigger level), the likelihood of the occurrence of an event or of a set of events triggering conversion may significantly increase;

– Coupon cancellation: The CoCo-Bonds are structured in a way that coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any period of time. The cancellation may even happen in a going concern without triggering an event of default. Cancelled coupons are not accumulated, but are written off;

– Capital structure inversion risk: contrary to classic capital hierarchy, CoCo-Bonds investors may suffer a loss of capital even when equity holders do not;

– Call extension risk: CoCo-Bonds are issued as perpetual instruments, callable at predetermined levels only with the approval of the competent authority;

– Unknown risk: the structure of the instruments is innovative yet untested. In particular, it cannot be estimated how the market will react in a stressed environment if a single issuer activates a trigger or suspends coupons on a CoCo-Bond. Should this event be seen by the market as a systematic event, a price contagion and increased volatility over the whole asset class cannot be ruled out;

– Yield/valuation risk: As mentioned above, CoCo-Bonds are considered to have a higher yield as compared to comparable fixed-income instruments (e.g. credit quality of the issuer, maturity) without the features of the CoCo-Bonds. However, the investors should bear in mind that this higher yield may potentially only represent a full or partial complexity premium paid to the CoCo-Bondholders to compensate them for a higher degree of risk.

Liquidity: The issuance of Coco Bonds is generally limited by regulatory prescriptions, whereas investor base demand may further increase. This might lead to a limited trading market and, besides financial weakness of the issuer, legal or contractual restrictions on resale or transfer, political or other reason, entail reduced liquidity of the CoCo Bonds held by the Sub-Fund(s). A consequence of reduced liquidity of a security is an additional discount on the selling respectively liquidation price. In addition, reduced liquidity may account for an adverse impact on the ability of the Sub-Fund(s) to meet redemption requests, or to meet liquidity needs in response to a specific economic event in a timely manner.

Alternative Asset Classes

Investments in the alternative asset classes can be very speculative.

Alternative asset classes, such as commodities, hedge funds, private equity and real estate, are subject to further special risks. In contrast to conventional asset classes like equities, fixed-income, cash or money-market instruments, such investment may be very illiquid and untransparent. It is further possible that the information required for evaluation of such position is either not readily available or strongly biased due to the low reporting obligations for the participants in the markets for alternative asset classes. Appraisals are often used which results in the so-called smoothing effect that exhibits an upward bias for returns and a downward bias for volatility and correlation of the alternative asset classes. Given that investments in securities issued by such market participants are mostly reserved to professional investors, the former are subject to less strict rules as contrasted to the issuers of securities traded on the regulated markets.

On the other hand, this asset class offers exposure to additional assets (such as commodities and real estate) or employs strategies that are not possible or are restricted within the conventional asset classes and that are strongly dependent on the skills of the portfolio manager (such as hedge funds and managed futures) or even a combination of both (such as private equity and distressed securities).

The exposure of UCITS to the alternative asset class is strongly restricted by applicable laws and regulations and may be built up only indirectly (e.g. via derivatives, structured products or other collective investment schemes), if at all.

A detailed description of permitted alternative asset classes and of the instruments via which the exposure to these asset classes may be established is given in the Special Part of the Sales Prospectus.

Before investing in the Fund, the investors should consider that it cannot be ruled out that the recovered amount will be less than the amount originally invested or even that the investment will suffer a total loss. An increased return in comparison to the return on the traditional asset classes is considered a reward for taking up a higher degree of risk.

Currencies

The investment policy of most Sub-Funds are designed in a way allowing the portfolio manager to invest the assets of the relevant Sub-Fund worldwide. Such investments may expose the relevant Sub-Fund to a foreign currency risk, i.e. a risk that the investment currency will depreciate against the reference currency of the relevant Sub-Fund resulting in a detrimental effect on the performance of the Sub-Fund in question.

In addition, the investment policy of a Sub-Fund may foresee a possibility for the portfolio manager to take active bets on different currency pairs to generate an additional return (so-called “currency overlay”). A portfolio manager who has a view different to the market expectations on how one or another currency is going to evolve in the future may speculate on the currencies that are - in his opinion - mispriced by the market and, so, yield an additional active return if his view turns out to be correct.

Accordingly, currency trading is very speculative and is strongly dependent on the skills of the portfolio manager. In currency trading, the portfolio manager gives up bets against the market forecast in relation to the evolvement of various currencies which (the market forecast), in turn, is based on certain economic rules (see more details below). In case of a correct forecast of the evolvement of the relevant currency pair by the portfolio manager, the fund receives an additional return. Otherwise, the fund suffers a loss.

The spot exchange rate for any freely traded currency pair (free floats) is mainly determined by their demand and supply. A forward rate of any such pair is an unbiased prediction of the future exchange rate of this pair. This prediction takes place based on various economic concepts (such as interest rate parity, purchasing power parity etc.), certain current and expected future processes and activities (such as fiscal and monetary policies, current and expected inflation, current and expected real GDP growth and other macroeconomic factors) as well as certain market conventions.

Nevertheless, currency strategies entail a significant degree of risk. The development of the exchange rate of a given currency pair may be different from what had been assumed when calculating a forward rate, so that spot prices on currency markets may deviate from forward prices calculated in the past to determine these spot prices. In addition, the currency prices may be determined not only via their respective demand and supply (free float), but also by their fixing on the exchange rate of another currency (fixed foreign exchange or pegged method) or by setting a corridor within which the exchange rate of a currency shall move with or without a periodic adjustment to take into account a stand of the economy in the country issuing the currency in question (semi-pegged method). Some currencies may even be fully or partially restricted in their availability on the markets.

Given the complexity of the modern currency exchange markets and special skills for a portfolio manager to produce active positive return, currency overlay is broadly considered to be a separate asset class.

Before investing in the Fund, the investors should consider that in case of an unfavorable evolvement of the currency market, the active currency trading, in particular currency overlay program, can lead to substantial losses.

Volatility

Volatility is a degree to which a data (e.g. return) within a data set deviates from its long-term mean. It is measured as a so-called standard deviation from the mean and is – simply speaking – a risk that a portfolio manager faces by entering into the position in question.

Volatility plays an important role in the portfolio management process and can serve as an additional source of return by applying various strategies. On the other hand, volatility trading is very speculative and is strongly dependent on the skills of the portfolio manager.

In volatility trading, the portfolio manager gives up bets on the volatility of the market and employs special strategies normally based on derivatives (e.g. straddles or strangles) or structured products. By doing so, no forecast is made on the direction of the market (i.e. bullish or bearish), but on the market movements as such. In case of a correct forecast by the portfolio manager, the Fund receives an additional return. Otherwise, the Fund suffers a loss.

Due to a high degree of complexity of the strategies and special know-how of the portfolio manager required to trade volatility, volatility may be considered a separate asset class within one or another Sub-Fund.

Before investing in the Fund, the investors should consider that in case of an unfavorable evolvement, active volatility trading can lead to substantial losses.

Absolute Return Strategies

Absolute return strategies aim at achieving a positive return in any market environment, incl. during the times of the bearish markets. Accordingly, absolute return strategies may be very speculative and expose the investors to a higher level of risk as compared to a comparable strategy which, however, does not seek for an absolute return.

These strategies can be applied in various asset classes and in particular in equities and in fixed-income.

Given that absolute return strategies are not investable, there are, normally, no valid benchmarks that can be applied to the vehicles pursuing absolute return strategy.

Given the speculative nature of the absolute return strategies and investors' expectation of a positive return even in the bearish markets, it cannot be ruled out that the investors experience a total loss by investing in a Sub-Fund pursuing an absolute return strategy.

Leverage

Leverage is any technique magnifying an exposure to an asset class or to an instrument to which it has been built up. While the gain is multiplied in case the asset class to which leverage has been employed experiences profit (i.e. the percentage change in return of the leveraged portfolio is greater than the percentage change in return of this portfolio would be if it were unlevered), contrary applies in case this asset class faces loss (i.e. the loss of the Sub-Fund is then also multiplied).

The higher the amount of the leverage, the higher is the magnification effect. The higher the range of gain and/ or loss, the higher is the magnification effect.

The main source of leverage in most Sub-Funds is currency hedging. Currency hedging shall include both share class hedging and hedging of positions in the portfolio held in a non-reference currency. Due to the customized nature of FX hedging, any adjustments to these positions do not result in a reduction of exposure to the existing FX hedge contract, but create a new, opposing, contract to arrive at the correct exposure. For example, by rolling a FX forward in a hedging process three transactions take place (one spot and two forwards) resulting in three times the notional amount of each currency in the relevant currency pair. Therefore, any changes will increase the notional exposure to the currency pair until the roll date of the relevant FX forwards, regardless of whether they are increasing or reducing actual currency exposure.

Leverage may further arise from the so-called relative value trades. In this type of trades long positions in securities or eligible derivatives are combined with short positions in eligible derivatives to achieve a combined gain via relative price appreciation of the underlying long asset and relative price depreciation of the underlying short position. In case such strategies are undertaken with underlyings that, normally, exhibit a low level of volatility, such as fixed-income asset class, larger position sizes may be entered into by the portfolio manager which, in turn, may result in higher levels of leverage.

Another source of leverage may result from option positions. The Sub-Funds may, for example, use a multi-leg option strategies. The risk on these strategies is small as these positions can be netted. Nevertheless, these positions count for the level of leverage and contribute to its increase as all the legs in the transactions are taken into account. For example, by selling a limited-loss strategy (call or put spread) and a purchase of a long put or call, each of the legs of these options shall count towards the leverage increase of the relevant Sub-Fund. For limited loss strategies, leverage shall increase as the position moves into profit and stabilize when it approaches its maximum loss. For unlimited loss strategies, the outcome is symmetrical. However, the portfolio manager shall likely stop out of loss-making trades, while letting profitable ones run into expiry. Consequently, a large number of profitable trades that are close to expiry would drive the leverage higher. In addition, should one option in this strategy, because of a sharp move in the market, become in-the-money, the leverage of the Sub-Fund would reach its maximum as such strategies would exhibit an exponential profile and become several times higher than it was before the move in the market.

The leverage may also evolve over time. A number of derivatives, such as calls and puts on currencies, bonds, index and volatility futures, listed equity index futures or similar profiles, have a low leverage factor at their inception. In the course of time, in particular, shortly before their expiration or rolling, they may significantly increase in their leverage level (e.g. some OTC derivatives, when unwound, would increase leverage even though the positions are almost risk-less due to netting of both positions).

Derivatives

Financial derivative instruments are financial instruments whose price is determined (derived) from the price of an asset class or another instrument (so-called underlying).

The derivatives can be employed to hedge risks or for the achievement of the investment objective of the relevant Sub-Fund. The use of derivatives may result in a corresponding leverage effect.

The use of derivatives requires not only an understanding of the underlying instrument, but also profound knowledge of the derivatives themselves.

Derivatives may be conditional or unconditional.

Conditional derivatives (so-called contingent claims) are such instruments that give a party to the legal transaction (so-called long position) a right to make use (exercise) of the derivative instrument without, however, imposing an obligation upon this party to do so (e.g. an option). Unconditional derivatives (so-called future commitments) impose an obligation to provide the service on both parties of the transaction (as a rule, one or several cash flows) at a specific future point in time agreed upon in the contract (e.g. forwards, futures, swaps).

The derivatives may be traded on stock exchanges (so-called, exchange-traded derivatives) or over-the- counter (so-called, OTC derivatives).

In the case of derivatives traded on a stock exchange (e.g. futures), the exchange itself is one of the parties to each transaction. These transactions are cleared and settled through a clearing house and are highly standardized. In contrast, OTC derivatives (e.g. forwards and swaps) are entered into directly between two counterparties. Accordingly, the credit risk (counterparty risk) of an OTC derivative transaction is significantly higher than that of an exchange-traded derivative transaction. In contrast to exchange-traded derivatives, they can be designed in a way fully suitable to both parties of the contract.

Use of derivatives is subject to general market risk, credit risk (also, counterparty risk), liquidity risk and settlement risk. In addition to the general description of these types of risks above, derivatives exhibit some specific features in relation to these types of risks that are shortly summarized below.

With derivatives, the credit risk is the risk that a party to a derivative contract may not meet (or cannot meet) its obligations under a specific or multiple contracts.

The credit risk for derivatives traded on a stock exchange is, generally speaking, lower than that of OTC derivatives because the clearing house accepts a settlement guarantee. This guarantee is achieved – among others – through settlement of outstanding contracts on a daily basis (so-called, mark-to-market) and requirement to provide and maintain an appropriate level of collateral (initial margin, maintenance margin and variation margin) that is calculated by the clearing houses by marking-to-market.
With OTC derivatives, the credit risk may also be reduced by providing collateral or performing other risk mitigation techniques, such as portfolio compression.

In OTC derivative transactions in which no exchange of the underlying asset against the payment is owed (e.g. interest rate swaps, total return swaps, non-deliverable forwards), the obligations of the counterparties are netted and only the difference between both obligations is paid. The credit risk is, therefore, limited in such transactions to that net amount owed by the counterparty to the relevant Sub-Fund.

In OTC derivative transactions in which the underlying asset is exchanged against the payment or against another asset (e.g. currency forwards, currency swaps, credit default swaps), the exchange is carried out on a delivery-versus-payment basis that means that the delivery and the payment– theoretically – take place simultaneously. In practice terms, it cannot, however, be fully ruled out that the Sub-Fund fully performs under the applicable OTC derivative terms without having received the performance owed by the OTC counterparty.

The credit risk can be reduced by depositing collateral. To trade derivatives on a stock exchange, participants must deposit collateral with a clearing house in the form of liquid funds (initial margin). The clearing house will evaluate (and settle, where appropriate) the outstanding positions of each participant, as well as re-evaluate the existing collateral on a daily basis. If the collateral's value falls below a certain threshold (maintenance margin), the participant in question will be required by the clearing house to bring this value up to its original level by paying in additional collateral (variation margin). With OTC derivatives, this credit risk may also be reduced by the respective counterparty providing collateral (see below), by offsetting different derivative positions that were entered into with this counterparty, as well as through a careful selection process for counterparties.

However, the nature of these risks may be altered as a result of the special features of the derivative financial instruments, and may in some cases be higher than the risks associated with an investment in underlying instruments.

The risks inherent to the use of derivatives by the Sub-Funds are further reduced by the investment policies applicable to each Sub-Fund.

Despite numerous regulations introduced during the recent years to regulate OTC derivative markets (such as European Market Infrastructure Regulation, Dodd-Frank-Act etc.), the OTC derivative markets are still not transparent enough. This, in particular in connection with the leverage effect that may be produced by the derivatives, may lead to (significantly) higher losses than estimated.

Some of the risks arising from the use of derivatives that an investment may entail are listed below. Only the principal risks are included in this list. The listing of risks with which an investment in shares in a Sub-Fund is associated entails no claim as to its completeness.

Risks associated with the use of swap agreements

The swap agreement is a structured derivative. Whilst the cautious use of such derivatives can be advantageous, derivatives also entail risks which may be greater than with traditional investments. Structured derivatives are complex and may entail high potential losses. The aim is, with the help of the aforementioned swap agreement, to achieve the Sub-Fund's investment objective.

Swap is one of the special cases of the derivatives dealt in over-the-counter. Thus, the swaps exhibit the risks inherent to the OTC derivatives. In addition, they also entail further specific risks, as described in more details below.

In a swap transaction, two parties agree to exchange cash flows.

In a standard swap transaction, one party receives return on the underlying and, in turn, pays the other party a premium. It is also possible that the parties agree to exchange the returns (or differentials of the returns) on the respective underlying. Likewise, the parties can agree to exchange the underlyings themselves.

One of the most significant risks inherent to the swaps is that it can create synthetic position. So, in a plain vanilla swap, the party paying a premium and receiving performance of a stock or of an index (e.g. equity index) is economically exposed to that stock or index (e.g. equity index and, thus, to the equity market) even though it might be prohibited/ restricted in terms of its investment policy from buying stocks or from taking an exposure to the equity markets. Similarly, an interest rate swap converts a floating-rate position into a fixed-interest position or vice-versa.

In the case of a total return swap, one party transfers the performance and total income of a security, portfolio or index to the other party. In return, this party receives either a premium, which may be fixed or variable, or the performance of a different security, portfolio or index.

Another risk connected to the use of swaps is their complexity. So, in case of credit derivatives, a Sub-Fund may make bets on the credit quality of third parties without having any relationship with them. Likewise, swaps can be linked to another derivative in a way that they build one single derivative (e.g. swaption).

Given the flexibility of the swaps, this instrument is broadly used by the market participants. Compared to the OTC derivative markets in general, the swap markets are yet less transparent, so that it is hardly possible to estimate how deep the market is.

The Sub-Fund may be subject to the risk that a counter-party does not fulfil its obligations under a swap agreement. In such a case the Sub-Fund would receive no payment under the swap agreement and/or the capital guarantee. In assessing the risk, the investor should consider that the counterparty under the swap agreement is obliged under regulatory provisions to provide the respective Sub-Fund with collateral as soon as the counterparty risk under the swap agreement represents more than 10% of the Sub-Fund's net assets.

Credit Derivatives, in particular Credit Default Swaps

Derivative instruments may further be used to hedge against various credit events associated with a third party (e.g. its default, downgrade, change in a credit spread) or apply return enhancement strategies resulting from such credit events. These, so-called, credit derivatives (in particular, credit default swaps, CDS) are designed in a way that one party (protection seller) sells a protection to another party (protection buyer) with an underlying being a security or a basket of securities issued by one or several third parties in return for receipt of a recurring premium from the protection buyer. The Sub-Fund may act as protection buyer or seller, so that credit derivatives may be used by Sub-Funds for hedging (long position) or investment (short position) purposes.

When selling credit default swap protection, the Sub-Fund incurs a level of credit risk comparable to the direct purchase of the security or basket of securities or directly entering into a position being the underlying of the CDS. In case of the occurrence of the relevant credit event (e.g. default of the reference party), the protection seller delivers the underlying security or the basket of securities to the protection buyer or pays to it a pre-determined amount of money.

Economically, such instruments are designed like an insurance against credit events.

Structured Products

Structured products, such as certificates, credit-linked notes, equity-linked notes or other similar products involve an issuer structuring the product whose value is intended to replicate, to track, to peg or to be linked in any other way to another security, a basket of securities, an index or to a direct or a synthetic position. To be eligible, the structured products must be sufficiently liquid and issued by first-class financial institutions (or by issuers that offer investor protection comparable to that provided by first-class financial institutions). They must qualify as securities pursuant to Art. 41 (1) of the 2010 Law and must be valued regularly and transparently on the basis of independent sources. If the source for valuation is not independent or done by the issuer itself, the Fund or an agent duly appointed by the Fund shall verify the valuation provided. Unless these structured products contain embedded derivatives pursuant to Art. 42 (3) of the 2010 Law, such products must not entail any leverage effect. The underlying of the embedded derivatives contained in such a structured product can only consist in instruments listed in Chapter 9, "Investment and Borrowing Restrictions".

The term structured product encompasses a broad scope of different structuring possibilities, so that different types of risks can apply. Given that structured products are often unsecured and are only backed by the credit of the issuer, they are subject to credit risk of the issuer. As consequence, investments in structured products may yield in significant losses, including total loss. Furthermore, there is normally no deep market for structured products, so that they might be subject to the liquidity risk. Consequently, it might be difficult to sell the structured product even in the normal market environment or only possible at a significant discount. In addition, the structured products may be highly customized. Accordingly, particular attention shall be paid to whether the envisaged structured product is eligible for an investment and suits the Fund's investment objective and investment policy appropriately. The structured products also tend to have a very complex and untransparent structure.

Distressed securities

Distressed securities are the securities that are in financial distress or near bankruptcy, typically with a Standard & Poor’s rating below CCC- (or an equivalent rating from another agency)

Investments in distressed securities are very speculative and their outcome strongly depends on the securities selection skills of the portfolio manager.

In the case of the favorable outcome, the investment may yield an attractive return as the distressed securities may experience too high discounts in their price which is not justified by the fair value of the security. Such “higher-than-justified” discounts often result from the fact that many groups of big institutional investors like pension funds, insurance companies, banks etc. are allowed to invest in distressed securities only to a minor extent or not allowed at all. Also, there is only a small part of research analysts who cover this sector as opposed to the sector of non-distressed securities which may result in a higher mispricing of the distressed securities as compared to the non-distressed securities.

In the reversed case, the total loss may be suffered by the investment if the issuer of the security goes bankrupt and investors do not receive any repayment on their borrowings or receive it only partially.

Distressed securities not only exhibit a higher degree of risk as compared to the risks inherent to the conventional investments in fixed-income securities, but also modify the importance of those and even become subject to risk types which are almost irrelevant for the debt securities of good standing. So, the liquidity of the security may become a superior risk as compared to the credit risk or may even be the most significant risk to which the holder of the distressed security is exposed.

Furthermore, a judicial risk gains importance (so-called “J-risk”) in the sector of the distressed securities. As stated above, the distressed securities may be involved in the bankruptcy process. During this process, it is usual that several court trials take place. Particular risks arise resulting from the uncertainty of the outcome of these trials, in particular out of the decisions made by the relevant judge.

Stockholders, creditors and other interested parties are all entitled to participate in bankruptcy or insolvency proceedings and will attempt to influence the outcome for their own benefit. Administrative costs relating to a bankruptcy or insolvency proceedings will be paid out of the debtor’s estate prior to any returns to creditors. Also, certain claims, such as for taxes, may have priority by law over the claims of certain creditors.

In any reorganization or liquidation proceeding relating to the issuer of a distressed security in which a Sub-Fund invests, such Sub-Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. In addition, distressed investments may require active participation by the Investment Manager of a Sub-Fund and its representatives. This may expose a Sub-Fund to litigation risks or restrict the Sub-Fund’s ability to dispose of its investments. Under such circumstances, the returns generated from the Sub-Fund’s investments may not compensate Shareholders adequately for the risks assumed.

Credit risk gains on importance as compared to the securities issued by companies whose operations are „going concern“.

Real Estate Investment Trusts

The exposure to real estate can be achieved only indirectly, including but not limited to Real Estate Investment Trusts (“REIT(s)”. A REIT is an entity that is dedicated to owning, and in most cases, managing real estate. This may include, but is not limited to, real estate in the residential (apartments), commercial (shopping centers, offices) and industrial (factories, warehouses) sectors. A closed-ended REIT, the units of which are listed on a Regulated Market may be classified as a transferable security listed on a Regulated Market thereby qualifying as an eligible investment for a UCITS under the Luxembourg Law.

Real estate values rise and fall in response to a variety of factors, including local, regional and national economic conditions, interest rates and tax considerations. When economic growth is slow, demand for property decreases and prices may decline. Property values may decrease because of overbuilding, increases in property taxes and operating expenses, changes in zoning laws, environmental regulations or hazards, uninsured casualty or condemnation losses, general decline in neighborhood values, uninsured damages from floods, earthquakes or other natural disasters and acts of terrorism, limitations on and variations in rents or changes in interest rates. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of investments in real estate securities. The underlying mortgage loans may be subject to the risks of default or of prepayments that occur earlier or later than expected, and such loans may also include so-called "sub-prime" mortgages.

The value of REITs will also rise and fall in response to the management skill and creditworthiness of the issuer.

Investments in Rule 144A securities

"Rule 144A securities" are securities that are not registered with the US Securities and Exchange Commission (SEC) pursuant to Rule 144A of the US Securities Act of 1933. These securities are therefore traded outside the markets as defined in section 9.1 and only available for investment by qualified institutional investors (as defined in the US Securities Act of 1933). The Fund and its Sub-Funds may qualify and under certain circumstances may invest up to 100% in Rule 144A securities. These securities may not be subject to official supervision or only to restricted official supervision.

Investments in Emerging Markets

Equity markets and economies in emerging markets are generally volatile and more sensitive to economic and political conditions than developed markets. Fund investments in certain emerging markets may also be adversely affected by political developments and/or changes in local laws, taxes and exchange controls. Other factors include greater liquidity risk, restrictions on investment or transfer of assets, failed/delayed delivery of securities or payments to the Fund and sustainability-related risks.

Finally, it may not always be possible to ascertain ownership structures for certain companies in some countries because of an ongoing process of privatization.

The procedures for settling securities transactions are associated with higher risks in the emerging markets than in developed markets. These higher risks are partly due to the fact that the Fund must use brokers and counterparties which do not have a very high level of capitalization, and the safekeeping of assets may in some countries be undependable, so that upon subscription or redemption, Fund shares may be worth less, or more, than at the time they were created.

As the capital markets of Central and Eastern European countries have only been recently established and because banking, registration and telecommunications systems are still underdeveloped, investments in Central and Eastern Europe are subject to certain risks relating to the clearing, settlement and registration of securities transactions usually not encountered when investing in Western countries.

Investments in new markets may be subject, in relation to market, liquidity and information risks to higher risks than normal markets, and thus to higher price fluctuations.

Risks related to investing in China

A Sub-Fund may invest in the People's Republic of China ("**PRC**") including in China A Shares (meaning the shares of PRC-incorporated companies denominated in Renminbi ("**RMB**") and exchange-traded funds (ETFs) listed and traded on the Shanghai Stock Exchange ("**SSE**") (the Shanghai Hong Kong Stock Connect Scheme or "**Shanghai-HK Connect**") and the Shenzhen Stock Exchange ("**SZSE**") (the Shenzhen Hong Kong Stock Connect Scheme or "**Shenzhen-HK Connect**") (SSE and SZSE referred together as the "**Exchanges**")) on PRC stock exchanges and/or bonds traded on the China Interbank Bond Market (the "**CIBM**") (the "**CIBM Bonds**") via the Bond Connect.

Investors should understand that the following is only intended to be a brief summary of the key risk factors associated with the relevant investments in the PRC securities market via Stock Connect, Bond Connect, rather than a complete explanation of all the risks involved in such investments.

Foreign exchange and currency risks

RMB is currently traded in two markets: one in mainland China (onshore RMB, or CNY) and one outside mainland China (primarily in Hong Kong) (offshore RMB, or CNH). Although CNH and CNY are the same currency, they trade at different rates, and any divergence between CNH and CNY may adversely impact investors.

RMB is not a freely convertible currency and is subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government. Exchange control regulations or any changes thereto may cause difficulties in the repatriation of funds, and the performance of a Sub-Funds' investments, in particular, may be affected.

Converting foreign currencies into RMB is carried out on the basis of the rate applicable to CNH. The daily trading price of CNH against other major currencies in the inter-bank foreign exchange market is floating in a band around the central parity published by the People's Bank of China ("**PBC**"). The value of the CNH may differ, perhaps significantly, from the value of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions applied by the Chinese government from time to time as well as other external factors and market forces.

The CNH market is in early development and there may be periods in which it is difficult for market participants to obtain or dispose of CNH. Furthermore, government or regulatory intervention in the CNH market may impact the availability and/or convertibility of CNH. In such situations, the exchange rate may fluctuate substantially and it may not be possible to obtain an exchange rate through any customary channel.

For the purpose of investing in the PRC, a Sub-Fund will invest primarily in securities denominated in RMB. If a Sub-Fund issues Share Classes denominated in a currency other than RMB, the Sub-Fund will be exposed to currency risk if the Sub-Fund invests in a RMB product due to the need for the conversion of the currency into RMB. The Sub-Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Sub-Fund purchases it and when the Sub-Fund redeems / sells it, the Sub-Fund will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated. Non-RMB based investors are exposed to foreign exchange risk. There is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund. Under exceptional circumstances, payment of realization proceeds and/or dividend payment in RMB (if any) may be delayed due to the exchange controls and restrictions applicable to RMB.

PRC Tax Risks

Certain of the Fund's investments in the PRC are subject to PRC tax liabilities.

Legal and Regulatory Uncertainties

The interpretation and applicability of existing PRC tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in the

PRC may be changed with retrospective effect in the future. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the shares.

There can be no guarantee that new tax laws, regulations, and practice in the PRC that may be promulgated in the future will not adversely impact the tax exposure of the Fund and/or its shareholders.

The PRC Government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies and foreign investors in such companies. There can be no guarantee that new tax laws, regulations, and practice in the PRC that may be promulgated in the future will not adversely impact the tax exposure of the Sub-Fund and/or its Shareholders.

Shareholders may, depending on their own circumstances, be subject to PRC tax or taxes in other jurisdictions. The Fund would not be able to guarantee that taxes paid at the Sub-Fund's level will be attributable to any shareholders for personal tax purposes. Investors should refer to the relevant risk factors disclosed in the section headed Taxation of this Sales Prospectus. Shareholders should seek their own tax advice on their tax position with regard to their investment in the Fund.

Under the PRC Corporate Income Tax law and its implementation rules, if the Fund and/or any of its Sub-Funds is considered as a PRC tax resident enterprise, it will be subject to PRC CIT at 25% on its worldwide taxable income; if the Fund and/or any of its Sub-Funds are considered as a non-PRC tax resident enterprise but has an establishment or place of business ("**PE**") in the PRC, they would be subject to PRC corporate income tax ("**CIT**") at 25% on the profits attributable to that PE.

It is the intention of the Management Company to operate the affairs of the Fund such that it should not be treated as tax resident enterprises of the PRC or non-tax resident enterprises with PE in the PRC for PRC CIT purposes, although this cannot be guaranteed.

Income derived from the PRC by non- PRC tax resident enterprises that have no establishment or place in the PRC are subject to 10% PRC withholding income tax ("**WIT**"), unless reduced or exempted under current laws and regulations or relevant tax treaties. Income and gains derived from the PRC may also be subject to value added tax ("**VAT**") and relevant surcharges on VAT.

In light of the legal and regulatory uncertainties in the PRC, the Fund reserves the right to make any provision for taxes or to deduct or to withhold an amount on account of taxes (which may be payable by the Sub-Fund to the PRC tax authorities in respect of its investments in the PRC) from assets of the Sub-Fund. Any provision for taxes made by the Fund may be more or less than the Sub-Fund's actual PRC tax liabilities. If the Sub-Fund does not set aside enough to meet these tax obligations, then the shortfall may be debited from the Sub-Fund's assets to meet its actual PRC tax liabilities. As a result, the income from, and/or the performance of the Sub-Fund may be reduced/adversely affected and the impact/degree of impact on the individual shareholders may vary, depending on factors such as the level of the Sub-Fund's provision for taxes and the amount of the shortfall at the relevant time and when the relevant shareholders subscribed for and/or redeemed their Shares in the Sub-Fund.

Dividend and interest

As such, the Fund's investments in China A Shares, ETFs and bonds are subject to withholding tax on income (such as dividends on, or interest income from, such investments, as the case may be) derived from the PRC, and such withholding tax may reduce the income from, and/or adversely affect the performance of certain Sub-Funds.

Stamp Duty

Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in the PRC of certain documents, including contracts for the sale of China A-Shares traded on the PRC stock exchanges, at the rate of 0.05%. In the case of contracts for sale of China A-Shares, such stamp duty is currently imposed on the seller but not on the purchaser. Stamp duty for the trading of ETFs listed on the Exchanges under Northbound Trading is currently waived

PRC Tax circulars

As at the date of this Sales Prospectus, the Chinese tax authorities have issued two tax circulars clarifying, amongst other things, the tax treatment in relation to Stock Connect, China Interbank Bond Market and Bond Connect:

– Stock Connect

The Chinese tax authorities have clarified that:

- an exemption from income tax on capital gains applies to trading on Stock Connect (this is stated to be a temporary exemption, but no expiry date is provided);
- normal Chinese stamp duty is payable; and
- a 10% dividend withholding tax will be applied.

- VAT will be exempted on gains derived by Hong Kong and overseas investors (including the Fund) on the trading of China A Shares through the Stock Connect.
- CIBM

The Chinese tax authorities have granted VAT exemption on the capital gains derived by qualified non PRC tax residents from the investments through CIBM with effective from 1 May 2016. In addition, according to the Caishui 2018 No. 108, effective from 7th November 2018 to 6th November 2021, there is a three-year tax exemption (including PRC withholding tax, VAT and local surcharges) on the bond interest income derived from the CIBM by qualified non-PRC tax residents.

- Bond Connect

According to the Caishui 2018 No. 108, effective from 7th November 2018 to 6th November 2021, there is a three-year tax exemption (including withholding tax, VAT and local surcharges) on bond interest income derived by qualified non PRC tax residents through Bond Connect. This exemption has been further extended to 31 December 2025. Except for the above, there is no specific regulation released regarding the tax treatment on capital gains through Bond Connect. Without further clarification, Chinese tax authorities may levy withholding tax, VAT as well as the surcharges on bond capital gains.

Risks related to investment in China A Shares

Risks related to trading volumes and volatility

The Exchanges have lower trading volumes than some OECD exchanges and the market capitalizations of listed companies are small compared to those on more developed exchanges in developed markets. The listed equity securities of many companies in the PRC are accordingly materially less liquid, subject to greater dealing spreads and experience materially greater volatility than those of OECD countries. Government supervision and regulation of the PRC securities market and of listed companies is also less developed than in many OECD countries. In addition, there is a high measure of legal uncertainty concerning the rights and duties of market participants with respect to investments made through securities systems or established markets.

The existence of a liquid trading market for China A Shares may depend on whether there is supply of, and demand for, China A Shares. The price at which securities may be purchased or sold by the Sub-Fund and the Net Asset Value of the Sub-Fund may be adversely affected if trading markets for China A Shares are limited or absent. The China A Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention). Market volatility and settlement difficulties in the China A Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Sub-Fund.

Risk of trading limitations

Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits are imposed by the stock exchanges on China A Shares, where trading in any China A Share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the relevant Investment Manager to liquidate positions and could thereby expose the Sub-Fund to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Investment Manager to liquidate positions at a favorable price, which could thereby expose the Sub-Fund to significant losses. Neither the Fund, the Management Company, nor the Investment Manager and/or the Sub-Investment Manager shall be responsible or liable for any such losses.

China A Shares may only be bought from, or sold to, the Sub-Fund from time to time where the relevant China A Shares may be sold or purchased on the Exchanges, as appropriate.

Given that the China A Share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the subscription and redemption of Shares may also be disrupted.

Risks relating to investments in companies listed on boards with generally lower listing eligibility criteria than main boards (e.g. ChiNext market, the Science and Technology Innovation Board (“STAR Board”))

Companies listed on boards with generally lower listing eligibility criteria than main boards are usually of emerging nature with a smaller operating scale. The rules and regulations regarding companies listed on such boards may be less stringent in terms of matters such as profitability, track record and share capital than those on the main boards. Hence, investments in such boards may be subject to higher fluctuations in stock prices as well as liquidity, over-valuation and delisting risks, and may result in significant losses for the fund and its investors.

<u>Trading and disclosure requirements related to investment in China A shares</u>*Local market rules, foreign shareholding restrictions, disclosure obligations and the Short Swing Profit Rule*

China A Shares of listed companies are subject to different trading rules and disclosure requirements

Under Stock Connect, China A Shares listed companies and trading of China A Shares are subject to market rules and disclosure requirements of the China A Shares market. Any changes in laws, regulations and policies of the China A Shares market or rules in relation to Stock Connect may affect share prices.

The Investment Managers should also take note of the foreign shareholding restrictions and disclosure obligations applicable to China A Shares. Under the current mainland China rules, once an investor holds up to 5% of the issued shares of a company listed in mainland China, the investor is required to disclose his or her interest within three working days and during which he cannot trade the shares of that company. The investor is also required to disclose each subsequent increase or decrease in his or her shareholding by 5% and comply with related trading restrictions in accordance with the mainland China rules, and from the day the disclosure obligation arises to two working days after the disclosures is made, the investor may not trade the shares of that company. After the investor's holding reaches 5%, each subsequent increase or decrease by 1% of the issued shares in the company held by such investor is required to be reported to that company for public announcement. Also, should it exceed 5%, the Fund may not reduce its holdings in such company within 6 months of the last purchase of shares of such company (the "**Short Swing Profit Rule**"). If the Fund violates this Short Swing Profit Rule, it may be required by the listed company to return any profits realized from such trading to the listed company. Moreover, under PRC civil procedures, the Fund's assets may be frozen to the extent of the claims made by such PRC company. These risks may greatly impair the performance of the Sub-Funds.

Investment in China A Shares through derivative instruments or structured products may be taken into account for the calculation of the threshold mentioned above. For example, if the Sub-Fund has de facto control over the exercise of the voting rights of the underlying China A Shares in relation to the derivative instruments or structured products, even though the Sub-Fund is not the legal owner of these shares, the Sub-Fund is subject to disclosure of interest requirements. Any investor may not utilize inside information to trade the shares of a PRC listed company or conduct market manipulation trades, and the trade orders of the Sub-Fund may not breach this requirement. If the Sub-Fund has de facto control over the exercise of the voting rights of the underlying shares of a PRC listed company that exceed 5% of the company's shares, it might be deemed as a 5% shareholder and may be restricted in its trading because of the Short Swing Profit Rule.

Restriction on day trading

Save with a few exceptions, day (turnaround) trading is generally not permitted on the China A Share market. If a Sub-Fund buys China A Shares on a dealing day (T), the Sub-Fund may not be able to sell them until on or after T+1 day.

Investment Restrictions

Investments in China A Shares are also subject to compliance with certain investment restrictions imposed by investment regulations including the following and may affect the relevant Sub-Fund's ability to invest in China A Shares and carry out their investment objectives:

(i) shares held by each underlying foreign investor (such as a Sub-Fund) which invests (through Stock Connect, or other permissible channels) in one PRC listed company should not exceed 10% of the total outstanding shares of such company; and

(ii) aggregate China A Shares held by all underlying foreign investors (such as a Sub-Fund and all other foreign investors) which invest (through Stock Connect, or other permissible channels) in one PRC listed company should not exceed 30% of the total outstanding shares of such company.

If the aggregate foreign shareholding exceeds the 30% threshold, the foreign investors - like the Sub-Fund - concerned will be requested to sell the shares on a last-in-first-out basis within five trading days.

Payment of Fees and Expenses

Investors should be aware that owing to repatriation restrictions, the Sub-Funds may need to maintain high cash balances, including potentially balances held outside the PRC, resulting in less of the proceeds of the Fund being invested in the PRC than would otherwise be the case if such local restrictions did not apply.

Investments through Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect

Stock Connect is the mutual market access programme through which foreign investors can deal in selected securities listed on a PRC stock exchange through the Hong Kong Stock Exchange ("**SEHK**") and the clearing house in Hong Kong, i.e. the Hong Kong Securities and Clearing Company ("**HKSCC**").

The securities which can be accessed through the Stock Connect programme are, for the time being certain securities listed on the SSE market ("SSE Securities") and the SZSE market (the "SZSE Securities") and certain SSE-listed and SZSE-listed ETFs (the "**Stock Connect Securities**"). SSE Securities include (i) the constituent stocks of the SSE A Shares Index that fulfill all of the relevant criteria at any half-yearly review, monthly review or DVR Stock review, as the case may be, and (ii) SSE-listed China A Shares that are not accepted for Northbound trading by virtue of (i) but which have corresponding China H Shares accepted for listing and trading on the SEHK, provided that:

i) they are not traded on SSE in currencies other than RMB; and

ii) they are not under “risk alert”.

SZSE Securities include (i) SZSE-listed China A Shares that are constituent stocks of the SZSE Composite Index and fulfil all of the relevant criteria at any half-yearly review, monthly review or DVR Stock review, as the case may be, and (ii) SZSE-listed China A Shares that are not accepted for Northbound trading by virtue of (i) but which have corresponding China H Shares accepted for listing and trading on SEHK, provided that:

i) they are not traded on SZSE in currencies other than RMB; and

ii) they are not under “risk alert” or under delisting arrangement.

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed and SZSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading in Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six months.

It is expected that the list of eligible securities which may be accessed through the Stock Connect programme will develop over time. In addition to the Stock Connect Securities described in this paragraph, a Sub-Fund may, subject to its investment policy, invest in any other security listed on the SSE or SZSE which is made available in the future through the Stock Connect Programme.

Risks linked with dealing in securities in PRC via Stock Connect:

To the extent that the Sub-Fund’s investments in the PRC are dealt via Stock Connect, such dealing may be subject to additional risk factors. In particular, Shareholders should note that Stock Connect is a relatively new trading programme. The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations which may restrict the Sub-Fund’s ability to deal via Stock Connect on a timely basis. This may impact the Sub-Fund’s ability to implement its investment strategy effectively. Shareholders should note further that under the relevant regulations a security may be recalled from the scope of Stock Connect. This may adversely affect the Sub-Fund’s ability to meet its investment objective, e.g. when the Investment Manager wishes to purchase a security which is recalled from the scope of Stock Connect. Moreover, where a suspension in the trading through Stock Connect is effected, the Sub-Fund’s ability to invest in Stock Connect Securities or access the PRC market through the program will be adversely affected. In such event, the Sub-Fund’s ability to achieve its investment objective could be negatively affected.

Beneficial owner of the Stock Connect Securities

Stock Connect currently comprises a Northbound link, through which Hong Kong and overseas investors like the Sub-Funds may purchase and hold Stock Connect Securities, and a Southbound link, through which investors in mainland China may purchase and hold securities listed on the SEHK. Physical deposit and withdrawal of Stock Connect Securities are not available under the Northbound Trading for the Sub-Funds. The Sub-Funds trade Stock Connect Securities through brokers who are a SEHK exchange participant. These Stock Connect Securities will be held following settlement by brokers or custodians as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System (“**CCASS**”) maintained by the HKSCC as central securities depositary in Hong Kong and nominee holder. HKSCC in turn holds these Stock Connect Securities of all its participants through a “single nominee omnibus securities account” in its name registered with the China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”), the central securities depositary in mainland China.

Because HKSCC is only a nominee holder and not the beneficial owner of these Stock Connect Securities, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that these Stock Connect Securities will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors respect of these Stock Connect Securities . Foreign Investors like the concerned Sub-Funds of the Fund investing through the Stock Connect holding the Stock Connect Securities through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee only. Indeed, it is uncertain whether the Chinese courts would recognize the ownership interest of the investors to allow them standing to take legal action against the Chinese entities in case disputes arise. This is a complex area of law and the Client should seek independent professional advice.

Coverage of Investor Compensation Fund

Since Northbound Trading is carried out through securities brokers in Hong Kong and not PRC brokers, the China Securities Investor Protection Fund does not extend to protect defaults experienced on Northbound Trading.

Quotas used up

Dealing on Stock Connect is subject to daily quota limitations which do not belong to a Sub-Fund and can only be utilized on a first-come-first-served basis. Once the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted.

Therefore, quota limitations may restrict a Sub-Fund's ability to invest in Stock Connect Securities on a timely basis, and the relevant Sub-Fund may not be able to effectively pursue its investment strategy.

Difference in trading day and trading hours

Due to differences in public holiday between Hong Kong and mainland China or other reasons such as inclement weather in mainland China, there may be a difference in trading days and trading hours in the markets accessible through Stock Connect. Stock Connect will only operate on days when both the mainland China and Hong Kong markets are open for trading. So it is possible that there are occasions when it is a normal trading day for the mainland China market but it is not possible to carry out any Stock Connect Securities trading in Hong Kong. The Investment Managers should take note of the days and the hours during which Stock Connect is open for business and decide according to its own risk tolerance capability whether or not to take on the risk of price fluctuations in Stock Connect Securities during the time when Stock Connect is not trading.

The recalling of eligible securities and trading restrictions

A security may be recalled from the scope of eligible securities for trading via Stock Connect for various reasons, and in such event the security can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Investment Managers. The Investment Managers should therefore pay close attention to the list of eligible securities as provided and renewed from time to time by the PRC and Hong Kong authorities.

Under Stock Connect, the Investment Manager will only be allowed to sell Stock Connect Securities but restricted from further buying under certain circumstances including without limitation to: (i) the Stock Connect Securities subsequently cease to meet the relevant eligibility criteria; (ii) the Stock Connect Securities are subsequently under “risk alert” (for China A Shares); and/or (iii) the corresponding H share of the Stock Connect Securities subsequently cease to be traded on SEHK (for China A Shares).

The above may not cover all risks related to Stock Connect and any above mentioned laws, rules and regulations are subject to change.

Clearing and settlement risks

HKSCC and ChinaClear have established the clearing links between SEHK and the Exchanges and each will become a participant of the other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Hong Kong and overseas investors which have acquired Stock Connect Securities through Northbound Trading should maintain such securities with their brokers' or custodians' stock accounts with CCASS (operated by HKSCC).

Risk of ChinaClear default

ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission (“**CSRC**”). Pursuant to the General Rules of CCASS, if China Clear (as the host central counterparty) defaults, HKSCC will, in good faith, seek recovery of the outstanding Stock Connect Securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable.

HKSCC will in turn distribute the Stock Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect authorities. Although the likelihood of a default by ChinaClear is considered to be remote, the Sub-Fund should be aware of this arrangement and of this potential exposure before engaging in Northbound Trading.

Risk of HKSCC default

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect securities and/or monies in connection with them and the relevant Sub-Fund and its investors may suffer losses as a result. Neither the Fund, the Management Company, nor the Investment Manager and/or the Sub-Investment Manager shall be responsible or liable for any such losses.

Risks related to investment in CIBM

The CIBM is an over the counter ("**OTC**") market outside the two main stock exchanges in the PRC. On the CIBM, institutional investors trade sovereign, government and corporate bonds on a one-to-one quote-driven basis.

The main debt instruments traded on the CIBM include government bonds, bond repo, bond lending, PBC bills, and other financial debt instruments.

The CIBM is regulated and supervised by the PBC. The PBC is responsible inter alia for establishing listing, trading, functioning rules applying to the CIBM and supervising the market operators of the CIBM.

The CIBM facilitates two trading models: (i) bilateral negotiation; and (ii) click-and-deal.

Under the China Foreign Exchange Trading System' system, which is the unified trading platform for the CIBM, negotiation is applied to all inter-bank products while one-click trading is only applied to cash-bonds and interest rate derivatives.

The market-maker mechanism, whereby an entity ensures bilateral quotations for bonds, was officially introduced in 2001 to improve market liquidity and enhance efficiency. Deals through market making can enjoy benefits such as lower trading and settlement costs.

Bond transactions must be conducted by way of bilateral trading through independent negotiations and be concluded on a transaction by transaction basis. Bid and ask prices for primary bond transactions and repurchase interest rates must be determined independently by the parties to the transaction.

Both parties to a transaction shall typically, in accordance with the contract, promptly send instructions for delivery of bonds and funds, and shall have sufficient bonds and funds for delivery on the agreed delivery date.

The China Central Depository & Clearing Co. ltd ("**CCDC**") will deliver bonds on time according to the instructions matching with elements sent by both parties to a transaction. Fund clearing banks will handle the appropriation and transfer of bond transaction funds on behalf of participants in a timely manner.

Investors should be aware that trading on the CIBM exposes the Sub-Fund to increased counterparty and liquidity risks.

Settlement risk:

There are various transaction settlement methods in the CIBM, such as the delivery of security by the counterparty after receipt of payment by the Sub-Fund, payment by the Sub-Fund after delivery of the relevant security by the counterparty or simultaneous delivery of security and payment by each party. Although the Investment Managers may be able to negotiate terms which are favorable to the Sub-Fund (e.g. requiring simultaneous delivery of security and payment), there is no assurance that settlement risks can be eliminated. Where the counterparty does not perform its obligations under a transaction, the Sub-Fund will sustain losses.

The Sub-Fund may also invest in the Chinese bond market via the exchange market and all bond trades will be settled through ChinaClear. ChinaClear is the PRC's only securities depository and clearing agency, registered with the State Administration for Industry and Commerce, and operates under the supervision of the relevant Chinese authorities. There is a risk that ChinaClear may go into liquidation. The SSE and SZSE currently each hold 50% of the registered share capital of ChinaClear, respectively.

ChinaClear has established a designated escrow account to retain securities to be delivered to a receiving participant or funds payable to a delivering participant before settlement.

If a participant defaults in payment of any sum payable to ChinaClear, ChinaClear has the power to apply the funds available towards the satisfaction of any amount due to ChinaClear either from (i) cash collateral provided by the defaulting participant; (ii) cash held in the joint guarantee fund contributed by the defaulting participant; or (iii) cash generated by the sale of securities. The defaulting party will be responsible for the expenses and any price differences resulting from the sale of the securities.

If a participant defaults in delivering securities, ChinaClear is entitled to delay the payment due to the delivering participant until the outstanding obligation is satisfied. In addition, ChinaClear may apply all or any securities (in lieu of the securities that are the subject of the delivery obligations) from the following sources to satisfy the obligations and liabilities of such participant to ChinaClear:

(i) securities furnished by the defaulting party;

(ii) securities purchased using the funds in the designated escrow account; or

(iii) securities available to ChinaClear from other alternative sources.

Although it is the intention of ChinaClear that it will deliver payment and securities to delivering participant and receiving participants, respectively, a delay may occur if either party fails to fulfil its payment or delivery obligation.

Regulatory Risks

An investment in CIBM Bonds via Bond Connect by a Sub-Fund is subject to regulatory risks. The relevant rules and regulations on investments under Bond Connect are subject to changes which may have potential retrospective effect. In the event that the relevant PRC authorities suspend accounts opening or trading via Bond Connect, a Sub-Fund's ability to invest in CIBM Bonds will be limited and, after exhausting other trading alternatives, the relevant Sub-Fund may suffer substantial losses as a result.

Moreover, although there is no quota restriction, relevant information about the Sub-Fund's investments needs to be filed with PBC and an updating filing may be required if there is any significant change to the filed information. It cannot be predicted whether PBC will make any comments on or require any changes with respect to such information for the purpose of filing. If so required, the relevant Sub-Fund will need to follow PBC instructions and make the relevant changes accordingly, which, may not be in the best interests of the Fund and the Shareholders from a commercial perspective.

Nominee Holding Structure and Ownership

CIBM Bonds invested by a Sub-Fund will be held by the Central Moneymarkets Unit of the Hong Kong Monetary Authority ("**CMU**") as the nominee holder, opening nominee account(s) with the CCDC and the Shanghai Clearing House ("**SHCH**"). While the distinct concepts of "nominee holder" and "beneficial owner" are generally recognized under the investment regulations, the application of such rules is untested, and there is no assurance that PRC courts will recognize such rules, e.g. in liquidation proceedings of PRC companies or other legal proceedings.

In addition, CIBM Bonds are uncertificated and are held by CMU for its account holders. Physical deposit and withdrawal of CIBM Bonds are not available under the investment regulations for the Fund.

Risks related to liquidity and volatility

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The Sub-Funds investing in such market are therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Fund may therefore incur significant trading and realization costs and may even suffer losses when disposing of such investments.

Investments through Bond Connect

A Sub-Fund may purchase fixed income securities which trade on CIBM through Bond Connect ("**Bond Connect Securities**"). Bond Connect is a mutual bond market access link established between Hong Kong and the PRC established by the China Foreign Exchange Trade System & National Interbank Fund Centre ("**CFETS**"), CCDC, SHCH and Hong Kong Exchanges and CMU. It facilitates investment in the CIBM through mutual access and connection arrangements in respect of trading, custody and settlement between the related financial infrastructure institutions of Hong Kong and the PRC.

It is governed by rules and regulations as promulgated by the authorities of the People's Republic of China. Such rules and regulations may be amended from time to time.

To the extent that a Sub-Fund's investments on the CIBM are made through Bond Connect, such investments may be subject to additional risk factors.

Shareholders should note that Bond Connect is a novel trading program in the PRC. The application and interpretation of relevant investment regulations are largely untested and there is a lack of certainty or guidance as to how any provision of the investment regulations will be applied and interpreted in practice. The investment regulations also give the relevant PRC regulators certain degree of discretion and there is limited precedent or certainty as to how such discretion might be exercised, either now or in the future. In addition, the investment regulations under which a Sub-Fund may invest via Bond Connect are subject to evolvement and there is no assurance that the investment regulations will not be changed in a way prejudicing the interests of the relevant Sub-Fund.

Moreover, Bond Connect and its technology and risk management capability have only a short operating history. There is no assurance that the systems and controls of the Bond Connect program will function as intended or whether they will be adequate

Under the prevailing regulations in the PRC, eligible foreign investors who wish to invest in Bond Connect Securities may do so via an offshore custody agent approved by the Hong Kong Monetary Authority ("**Offshore Custody Agent**"), who will be responsible for the account opening with the relevant onshore custody agent approved by the PBC. As the account opening for investment in the CIBM market via Bond Connect has to be carried out via an Offshore Custody Agent, the relevant Sub-Fund is subject to the risks of default or errors on the part of the Offshore Custody Agent.

Trading in Bond Connect Securities may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities/make payment, the Sub-Fund may suffer delays in recovering its losses or may not be able to fully recover its losses.

Investments through Bond Connect via the Northbound Trading are not subject to any quota but the relevant authorities may suspend account opening or trading via Bond Connect, and in the absence of CIBM Direct Access, the relevant Sub-Fund's ability to invest in CIBM will be limited, and the relevant Sub-Fund may not be able to effectively pursue its investment strategy or it may have an adverse effect on the relevant Sub-Fund's performance. The relevant Sub-Fund may also suffer losses as a result.

A Sub-Fund's Bond Connect Securities will be held in accounts maintained by the CMU as central securities depositary in Hong Kong and nominee holder. Because CMU is only a nominee holder and not the beneficial owner of Bond Connect Securities, in the unlikely event that CMU becomes subject to winding up proceedings in Hong Kong, investors should note that Bond Connect Securities will not be regarded as part of the general assets of CMU available for distribution to creditors even under PRC law. However, CMU will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in Bond Connect Securities. A failure or delay by the CMU in the performance of its obligations may result in a failure of settlement, or the loss, of Bond Connect Securities and/or monies in connection with them and a Sub-Fund and its investors may suffer losses as a result. Neither the Fund, the Management Company, nor the Investment Manager and/or the Sub-Investment Manager shall be responsible or liable for any such losses.

A Sub-Fund's title or interests in, and entitlements to Bond Connect Securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign bondholding restriction, if any. It is uncertain whether the Chinese courts would recognize the ownership interest of the investors to allow them standing to take legal action against the Chinese entities in case disputes arise.

Bond Connect Securities may be recalled from the scope of eligible bonds for trading through Bond Connect for various reasons, and in such event such Bond Connect Securities can only be sold but are restricted from being bought. This may affect the investment portfolio or strategies of the Sub-Fund.

Transactions using Bond Connect are not subject to the Hong Kong Investor Compensation Fund or the China Securities Investor Protection Fund.

Investments in Bond Connect Securities are subject to various risks associated with the legal and technical framework of Bond Connect. Due to differences in public holidays between Hong Kong and mainland China or other reasons such as inclement weather in mainland China, there may be a difference in trading days and trading hours in the markets accessible through Bond Connect. . As such, it is possible that there are occasions when it is a normal trading day for the Hong Kong market but it is not possible to carry out any Bond Connect Securities trading under the Northbound Trading in Hong Kong.

Currency Risks

Foreign investors such as the Sub-Funds may use their own RMB in the offshore market (i.e. CNH) or to convert foreign currencies into RMB in the onshore market to invest in the CIBM Bonds via Bond Connect. If a Sub-Fund intends to use foreign currencies, its CMU member shall engage an RMB settlement bank in Hong Kong on behalf of the Sub-Fund for foreign exchange conversions services in the onshore market. If CIBM Bonds are purchased using foreign currency converted into onshore RMB, upon a sale of the relevant CIBM Bonds, the proceeds of sale remitted out of the PRC are to be converted back into the relevant foreign currency. Accordingly, due to the requirement for currency conversion, a Sub-Fund may be exposed to the currency risks mentioned above and will also incur currency conversion costs.

Risk of CMU / CCDC / SHCH Default

A failure or delay by CMU, CCDC or SHCH in the performance of their respective obligations may result in a failure of settlement, or the loss, of CIBM Bonds and/or monies in connection with them and the relevant Sub-Fund may suffer losses as a result.

8 Investment Objective and Investment Policy

The investment objective and investment policy of each Sub-Fund are defined in the Special Part. The investment currency or currencies of a Sub-Fund are not necessarily identical to its Reference Currency or to the alternative currencies in which Share Classes of the Sub-Fund may be issued.

9 Investment and Borrowing Restrictions

The Articles provide that the Board of Directors shall, in consideration of the risk distribution principle, define the corporate and investment policy of the Fund and the investment restrictions.

The following investment restrictions apply to all Sub-Funds, unless otherwise stipulated for any Sub-Fund in the Special Part:

9.1 Financial instruments used by individual Sub-Funds

Depending on the specific investment policy of the individual Sub-Funds, it is possible that some of the instruments listed below will not be acquired by certain Sub-Funds.

For each Sub-Fund, the Fund may solely invest in one or more of the following instruments:

a) securities and money market instruments listed or traded on a Regulated Market;
b) securities and money market instruments traded on another market in a Member State that is recognized, regulated, publicly accessible and operates in a due and orderly fashion;
c) securities and money market instruments that have obtained an official listing on a securities exchange in a country which is not an EU Member State, or are traded on another market that is recognized, regulated, publicly accessible and operates in a due and orderly fashion;
d) Securities and money market instruments from new issues, provided the terms of issue include the obligation to submit a request for a listing on a securities exchange or to trade on a regulated market as defined under provisions 9.1 (a) to (c) and approval is granted within one year following issue.
e) Units of UCITS in accordance with the applicable guideline or other UCIs registered in a Member State, or otherwise, provided

   (i) these other UCIs are licensed according to regulations requiring official supervision which in the opinion of the CSSF is equivalent to that under EU Community law, and cooperation between the authorities is sufficiently guaranteed;

   (ii) the level of protection of shareholders in the other UCI is equivalent to the level of protection of shareholders of a UCITS, and in particular the provisions for separate management of the Fund’s assets, borrowing, credit allocation and short-selling of securities and money market instruments are equivalent to the requirements of Directive;

   (iii) the activities of the other UCIs are subject to semi-annual and annual reporting which permit a judgement to be made on the assets and liabilities, earnings and transactions within the reporting period;

   (iv) the Articles of the UCITS or the other UCI whose shares are being acquired stipulate that it may invest a maximum of 10% of its assets in the shares of other UCITS or other UCIs.

f) sight deposits or callable deposits with a maximum term of twelve months with credit institutions, provided the credit institution in question has its registered office in a Member State or, if the registered office of the credit institution is in a third state, provided it is subject to supervisory provisions that the CSSF holds to be equivalent to those of Community law;
g) derivative financial instruments, including equivalent instruments settled in cash that are traded on one of the markets mentioned in section 9.1 (a) to (c) and/or derivative financial instruments not traded on an exchange (OTC derivatives), provided

   (i) the underlying securities are instruments as defined in this section 9.1 (a) to (h), financial indices, interest rates, exchange rates or currencies in which the relevant Sub-Fund is permitted to invest as set out in its investment policy in the Special Part;

   (ii) with regard to transactions involving OTC derivatives, the counterparties are institutions from categories subject to official supervision which have been approved by the CSSF;

   (iii) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and may at any time upon the initiative of the Sub-Fund in question be sold, liquidated or closed out via an offsetting transaction; and

   (iv) the relevant counterparty is not granted any discretion over the composition of the portfolio managed by the relevant Sub-Fund (e.g. in the case of a total return swap or other derivative with similar characteristics) or over the underlying of the relevant derivative instrument;

h) Money market instruments that are not traded on a Regulated Market and do not fall under the definitions listed in section 5 "Definitions", as long as the issue or issuer of these instruments is itself subject to the provisions governing depositary and investor protection, and provided they

(i) issued or guaranteed by a central government, regional or local body or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third state or in the case of a federal state, a member state of the federation, or by an international public law institution to which at least one Member State belongs, or

(ii) are issued by a company whose securities are traded on the markets defined under 9.1 (a) to (c) above, or

(iii) are issued or guaranteed by an institution, that is subject to regulatory supervision in accordance with the criteria set out under EU law, or an institution that is subject to and adheres to supervisory provisions that the CSSF holds to be at least as strict as those under EU law, or

(iv) issued by other borrowers which belong to a category approved by the CSSF, provided that for investments in these instruments there are provisions for investor protection which are equivalent to 9.1 (h) (i) to (iii) and provided the issuer is either a company with equity capital of at least ten million euros (EUR 10,000,000), which draws up and publishes its annual report in accordance with the provisions of the fourth Directive 78/660/EEC, or a legal entity comprising one or more listed companies which is responsible for the financing of the group, or a legal entity where security-backed liabilities are to be financed by use of a line of credit granted by a bank.

9.2 Other permitted financial instruments

Each Sub-Fund may depart from the investment restrictions set out in 9.1 above by:

a) investing up to 10% of its net assets in securities and money market instruments other than those mentioned under 9.1;
b) holding up to 20% of its net Fund assets in ancillary liquid assets (bank deposits at sight); in certain exceptionally unfavorable market conditions, the Sub-Funds may also hold temporarily a share in excess of 20% if and insofar as this appears expedient in the interests of shareholders.
c) borrowing the equivalent of up to 10% of its net assets for a short period. Covering transactions in connection with the writing of options or the purchase or sale of forward contracts and futures are not deemed to constitute borrowing for the purposes of this investment restriction;
d) acquiring foreign currency as part of a "back-to-back" transaction.

9.3 Investment restrictions to be complied with

a) A Sub-Fund may invest no more than 10% of its net assets in securities or money market instruments from the same issuer. A Sub-Fund may invest no more than 20% of its net assets in deposits with the same institution. The counterparty's default risk in transactions of a Sub-Fund involving OTC derivatives may not exceed 10% of its net assets, if the counterparty is a credit institution as described in 9.1) (f). In other cases, the limit is a maximum of 5% of the Sub-Fund's net fund assets.
b) The total value of the securities and money market instruments of issuers in which the Sub-Fund has invested more than 5% of its net assets may not exceed 40% of the value of its net assets. This limit does not apply to deposits and transactions involving OTC derivatives carried out with a financial institution which is subject to official supervision.

   Irrespective of the individual upper limits indicated in 9.3 (a), a Sub-Fund may invest with one and the same institution up to 20% of its net assets in a combination of

   – securities or money market instruments issued by this institution;
   – deposits with this institution and/or
   – investing in OTC derivative transactions effected with this institution.

c) The upper limit indicated in 9.3 (a) sentence 1 is increased to a maximum of 35% if the securities or money market instruments are issued or guaranteed by a Member State or its territorial authorities, by a third state or by international public law institutions to which at least one Member State belongs.
d) The upper limit indicated in section 9.3) (a), sentence 1 rises to a maximum of 25% of its net assets for covered bonds as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (hereafter "Directive (EU 2019/2162"), and certain debt instruments when they are issued before 8 July 2022 specific bonds if these are issued by a credit institution with registered office in a Member State, and which is subject to specific official supervision on the basis of the legal provisions for the protection of holders of these bonds. In particular, the law must stipulate that the proceeds from the issue of these bonds issued before 8 July 2022 are invested in assets which adequately cover the liabilities arising from the bonds during their entire lifetime and which are designated primarily for the repayment of the capital and the payment of interest in the event of the default of the issuer.
   If a Sub-Fund invests more than 5% of its net assets in bonds as defined in this sub-section that are issued by one and the same issuer, the total value of these investments may not exceed 80% of the value of the Sub-Fund´s net assets.
e) The securities and money market instruments mentioned in 9.3 (c) and (d) are not included when applying the investment limit of 40% of its net assets provided in 9.3 (b).

The limits indicated in 9.3 (a), (b), c) and d) may not be added together; accordingly, pursuant to 9.3 (a), (b), (c) and (d), investments made in securities and money market instruments from one and the same issuer or in deposits with those issuers or in derivatives from the same, may not exceed 35% of the net assets of the Sub-Fund in question.
Companies which belong to the same group of companies with regard to the preparation of consolidated accounts within the meaning of Directive 83/349/EEC or under recognized international accounting rules, are regarded as a single issuer when calculating the investment limits provided in 9.3 (a) to (e).
A Sub-Fund may cumulatively invest up to 20% of its net assets in securities and money market instruments of one and the same group of companies.

f) Notwithstanding the investment limits established in 9.3 (m) and (n) below, the upper limits indicated in 9.3 (a) to (e) for investments in equities and/or bonds of one and the same issuer shall not exceed 20% if the Sub-Fund's investment strategy aims to replicate an equity or bond index recognized by the CSSF which fulfils the following conditions: The condition for this is that

   – the composition of the index is sufficiently diversified;
   – the index represents an appropriate reference for the market to which it relates;
   – the index is published in a suitable manner.

g) The limit established in 9.3 (f) amounts to 35% of its net assets provided this is justified due to extraordinary market circumstances, particularly on Regulated Markets where certain securities or money market instruments are extremely dominant. An investment up to this upper limit is only possible with a single issuer.

h) The financial index used as the underlying index for a derivative shall be a single index that meets all requirements set down under the 2010 Law and those of the CSSF.

i) Irrespective of the provisions under 9.3 (a) to (e), each Sub-Fund may, according to the principle of risk diversification, invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by a Member State or its regional bodies or by an OECD member state, Singapore, Brazil, Russia, Indonesia and South Africa or international public law organizations to which one or more EU Member States belong, provided that (a) such securities come from at least six different issues and (b) no more than 30% of the net assets of the Sub-Fund in question are invested in securities from one and the same issue.

j) Unless indicated otherwise in the Special Part, a Sub-Fund may not invest more than 10% of its net assets in other UCITS and/or other UCIs. Should a Sub-Fund be permitted to invest more than 10% of its net assets in other UCITS and/or other UCIs, it may acquire shares of other UCITS and/or other UCIs within the meaning of 9.1 (e) if it does not invest more than 20% of its net assets in one and the same UCITS or another UCI.
In applying this investment limit, each Sub-Fund of an umbrella fund as per the 2010 Law is to be regarded as an independent issuer, provided the principle of the individual liability of each Sub-Fund with respect to third parties applies.

k) Investments in shares of other UCIs as UCITS may not in total exceed 30% of the net assets of a Sub-Fund.
If a Sub-Fund has acquired shares in a UCITS and/or other UCIs, the investment values of the UCITS or other UCIs shall not be taken into consideration in relation to the upper limits indicated in 9.3) (a) to (e).
If a Sub-Fund acquires shares of other UCITS and/or other UCIs, which are managed by the same management company or another company that is affiliated with the management company, the Fund may not charge fees for the subscription or redemption of shares of other UCITS and/or other UCIs.
With regard to the investments of a Sub-Fund in UCITS and other UCIs connected with the Management Company as described in the previous paragraph, the total amount of management fees (less performance fees if there are any) charged to the Sub-Fund and any affected UCITS or other UCIs for may not exceed 4% of the net assets managed accordingly. A statement will be made in the annual report as to the maximum extent of the share of management fees which is to be borne by the Sub-Fund concerned and the UCITS and other UCIs in which the Sub-Fund has invested in the relevant period.
However, if a Sub-Fund invests in shares of a UCITS and/or other UCIs which are launched and/or managed by other companies, it should be noted that issuing, conversion and redemption fees may be charged for these target funds. The issuing, conversion and redemption fees paid by the relevant Sub-Fund are set out in the relevant accounting report.

l) If a Sub-Fund invests in UCITS and/or other UCIs, the Sub-Fund assets will incur the administration and management fees of the target funds as well as those of the investing fund. Thus, double charges with regard to fund administration and management fees cannot be ruled out.

m) The Fund must not acquire voting shares for any of its Sub-Funds to an extent which allows it to exercise material influence on the management of the issuer.

   Moreover, a single Sub-Fund may not acquire more than:

   – 10% of non-voting shares of one and the same issuer;
   – 10% of the bonds of one and the same issuer;
   – 25% of the shares of one and the same UCITS and/or other UCI;
   – 10% of the money market instruments of one and the same issuer.

   The limits set out in the second, third and fourth points do not need to be complied with at the acquisition date if the gross amount of the bonds or money market instruments or the net amount of the shares issued cannot be calculated at the date of acquisition.

n) The above provisions as per 9.3 (m) are not applicable in respect of:

   (i) securities and money market instruments issued or guaranteed by a Member State or its territorial authorities;

   (ii) securities and money market instruments issued or guaranteed by a third country;

   (iii) securities and money market instruments that are issued by international public law organizations to which one or more EU Member States belong;

   (iv) shares of companies that have been established under the laws of a country that is not an EU Member State provided (a) such a company primarily invests in securities of issuers from this country, (b) under the country’s laws, the only way the Sub-Fund can acquire securities from issuers of this country is by acquiring a stake in such a company and (c) this company observes the investment restrictions when investing assets pursuant to 9.3 (a) to (e) and 9.3 (j) to 9.3 (m) above.

   (v) shares held by one or more investment companies in subsidiaries which, in their country of establishment, only carry out certain investment, advisory or distribution activities for these investment companies with respect to the redemption of shares at the request of shareholders.

o) The Fund will ensure for each Sub-Fund that the overall risk associated with derivatives does not exceed the Sub-Fund's total net asset value. In calculating this risk, account will be taken of the market value of the respective underlying assets, the default risk of the counterparty, future market fluctuations and the time required for liquidation of the positions.

   A Sub-Fund may invest in derivatives as part of its investment strategy within the limits stipulated under 9.3. (e), provided the overall risk of the underlying securities does not exceed the investment limits given in 9.3 (a) to (e) above. If a Sub-Fund invests in index-based derivatives, these investments do not need to be taken into account for the limits given in 9.3 (a) to (e) above.
   Derivatives embedded in securities or money market instruments must be included when complying with the provisions of this section (o).

p) No Sub-Fund may acquire commodities or precious metals or certificates representing them.
q) No Sub-Fund may invest in real estate, although investments in real estate-backed securities or interest thereon or investments in securities issued by companies which invest in real estate, and interest thereon, are permissible.
r) No credits or guarantees issued on behalf of third parties may be charged to a Sub-Fund's assets. This investment limit shall not prevent any Sub-Fund from investing in non-fully paid-up securities, money market instruments or other financial instruments pursuant to 9.1 (e), (g) and (h), provided that the Sub-Fund concerned has sufficient cash or other liquid funds to be meet outstanding payments on demand; such reserves must not have already been taken into account as part of the sale of options.
s) Short selling of securities, money market instruments or other financial instruments set forth in 9.1 (e), (g) and (h) above is not permitted.
t) A Sub-Fund (the "investing Sub-Fund") can subscribe to, acquire and/or hold shares to be issued or already issued by one or more other Sub-Funds (a "target Sub-Fund") on condition that:

   (i) the target Sub-Fund does not for its part invest in the investing Sub-Fund; and

   (ii) no more than 10 % of the assets of the target Sub-Fund may be invested in units of other UCITS or UCIs under its investment policy; and

   (iii) the investing Sub-Fund may invest no more than 20% of its net assets in shares of one and the same target Sub-Fund; and

(iv) any voting rights attached to shares in the target Sub-Fund are to be suspended for as long as the shares are held by the investing Sub-Fund in question, without prejudice to due accounting and regular reporting; and

(v) the value of these shares, for as long as they are held by the investing Sub-Fund, are not included in the calculation of the Fund's net asset value for the purpose of ensuring adherence to the minimum net asset threshold stipulated by the 2010 Law.

9.4 Other restrictions

a) Sub-Funds do not necessarily have to comply with the investment limits given in 9.1 to 9.3 when exercising their subscription rights associated with securities or money market instruments held as part of their net fund assets.
b) The Sub-Funds will not invest in financial instruments issued by sanctioned countries, territories or entities.
c) Newly licensed Sub-Funds may deviate from the provisions set out in 9.3 (a) to (k) above for a six-month period following their approval, provided they ensure adequate risk diversification.
d) If these provisions are exceeded for reasons which lie outside the Sub-Fund’s control or on account of subscription rights, the relevant Sub-Fund must strive as a matter of priority to rectify the situation by conducting selling transactions, taking due account the interests of its shareholders.
The Investment Manager of a Sub-Fund usually divests from an asset that does not comply anymore with applicable sanctions, minimum credit ratings, certain exclusion and/or sustainability criteria as described in a Sub-Fund’s investment policy (or annex with regards to “Environmental and/or social characteristics” or “Sustainable Investment objective”) within a time period to be determined by the Investment manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions, the legal and regulatory framework applicable to the relevant asset (e.g. in relation to sanctions) and taking due account of the best interests of the shareholders. The Board of Directors or the Management Company may decide to further postpone the rectification of such a breach or decide to carry out the divestment in several installments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.
In accordance with the 2010 Law, in the case of any UCITS which includes more than one Sub-Fund, each Sub-Fund shall be regarded as an autonomous UCITS.
The Board of Directors reserves the right to stipulate other investment restrictions if they prove necessary to comply with the laws and provisions of countries in which the Fund's shares are offered or sold.

9.5 Total Return Swaps

Total Return Swaps are derivatives by means of which all income and change in the value of an underlying are transferred to another party, the counterparty.

The Management Company or the Investment Managers may conduct for the Sub-Funds transactions in Total Return Swaps for hedging purposes and as part of the investment strategy, e.g. total return swaps can be used to exchange the performance of two different portfolios, for example, the performance of certain assets of a Sub-Fund against the performance of an index. As a result, the risk of loss of a Sub-Fund may be increased.

In case a Sub-Fund conducts transactions with Total Return Swaps, this is disclosed in the relevant section of the Sub-Fund supplement of the Special Part.

The income from total return swaps is fully allocated to the respective Sub-Fund, net of transaction costs.

Counterparties of the Sub-Funds for Total Return Swaps are normally credit and financial services institutions established in one EEA Member State or in one OECD Member State. In principle, the counterparty must have a minimum rating of investment grade. Further details on the selection criteria and a list of approved counterparties are available at the registered office of the Management Company. Risks of a failure of the counterparties can be found in section 7 “Notice Regarding Special Risks”.

The respective counterparty cannot influence the composition or management of the investment portfolios of the Sub-Funds or the underlyings of the Total Return Swaps. Transactions in connection with the investment portfolios of the Sub-Funds do not require the consent of the counterparty.

Further information on the share of the assets under management that are expected to be used for total return swap transactions are described in the Special Part for the respective Sub-Fund.

9.6. Collateral

General rules on collateral
Counterparty risk regularly arises where certain instruments (such as OTC derivatives), techniques and instruments are used. This risk may not exceed certain statutory limits and can be reduced by means of collateral in accordance with CSSF Circular 13/559, as modified by CSSF Circular 14/592. For each counterparty, the global risk is considered, taking into account all transactions entered into with that counterparty. All collateral provided by a counterparty is also taken into account in its entirety.

The collateral provided should be sufficient to cover the underlying claim. The collateral received is valued at a discount of its market value depending on the type, maturity and issuer quality.

The Fund may accept collateral provided that the following conditions are met:

a) Liquidity: All non-cash security accepted must be highly liquid, i.e. it can be sold at short notice and close to the price on which the valuation is based, and tradable at a transparent price on a regulated market or within a multilateral trading system. The collateral received must also fulfil the conditions of 9.3 (m) and (n) above.
b) Valuation: Collateral received should be valued at least on each trading day based on the last available price on the day before the Valuation Day. The Management Company applies for the collateral received gradual haircuts (taking into account the specific characteristics of the collateral, the issuer and the counterparty) (so-called Haircut strategy). Based on this, margin calls can be made daily in case of under-funding.
c) Issuer credit quality: The issuer of the collateral received must have good credit quality.
d) Correlation: The collateral received must be issued by a legal entity that is independent of the counterparty and does not exhibit high correlation to the performance of the counterparty.
e) Diversification of collateral (concentration of assets): The collateral must be adequately diversified by country, market and issuer. The criterion of adequate diversification in terms of issuer concentration shall be deemed fulfilled if the Sub-Fund has a collateral basket from a counterparty in the case of efficient portfolio management or transactions in OTC derivatives in which the maximum exposure to any given issuer is 20% of the net asset value. If multiple counterparties provide collateral for a Sub-Fund, then various collateral baskets shall be aggregated for the purposes of calculating the 20% limit on exposure to a single issuer. By way of derogation from the above, a UCITS may be fully collateralized in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, an OECD member state, Singapore, Brazil, Russia, Indonesia or South Africa or international public law organizations to which one or more EU Member States belong. Such a UCITS should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the UCITS' net asset value. UCITS that intend to be fully collateralized in securities issued or guaranteed by a Member State should disclose this fact in the prospectus of the UCITS. UCITS should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their net asset value.
f) Risk Management shall determine, manage and reduce risks in connection with collateral management.
g) In the case of transfers of rights, the collateral received shall be held by the Depositary. For other forms of collateral agreements, the collateral may be held by a third party that is subject to supervision and that has no connection to the collateral provider.
h) The Fund shall have the authority to realize the collateral received at any time without reference to the counterparty and without obtaining the counterparty's consent.
i) The collateral is held with a depositary which is subject to effective supervision and which is independent of the guarantor or is legally protected against a default of an involved party.

Collateral in the form of bank deposits shall be deposited with the depositary or – with the consent of the depositary – at other credit institutions, provided that the credit institution concerned has its head office in a Member State or, if the head office of the credit institution is located in a third country, if it is subject to regulatory provisions which are equivalent to those of the community law from the point of view of the CSSF.

Any risks associated with the collateral management, in particular operational and legal risks, will be identified, assessed and controlled by risk management.

Collateral accepted by the Fund and Collateral Management

Collateral is accepted in the form of cash or high-quality government bonds. The Sub-Funds may receive government bonds as collateral issued by the governments of the following countries:

– Federal Republic of Germany,
– France,
– United Kingdom,
– United States of America,
– Canada,
– the Netherlands,
– Sweden and
– Switzerland,

and that are rated at least "AA-" (Standard & Poor's) and/or "Aa3" (Moody's) whichever is lower in the case of a discrepancy between the ratings of both agencies.

A Sub-Fund may only receive less than 30% of its net asset value in collateral.

Cash collateral received will not be reinvested. Government bonds received will not be disposed of, reinvested or pledged. The management company will apply gradual haircuts to collateral received, taking into account the characteristics of the collateral, its issuer and the counter-party involved. The following table contains the minimum haircuts applied to different kinds of collateral:

COLLATERAL	Minimum haircuts applicable to the collateral
Cash	0%
Government bonds with residual maturity < 1 year	0.5%
Government bonds with residual maturity from 1 to 5 years	2%
Government bonds with residual maturity above 5 years	4%

9.7 Techniques and instruments used to hedge currency risks

For the purposes of hedging currency risks, the Fund may for each Sub-Fund carry out the following transactions on a stock exchange or other Regulated Market or over the counter: conclude foreign exchange forward and futures contracts, sell currency call options or buy currency put options, in order to reduce or completely eliminate exposure in the currency regarded as risky and to shift into the currency of account or another currency considered less risky within the investment universe.

For the purposes of hedging currency risks, a Sub-Fund may carry out foreign exchange forward transactions, including foreign exchange forward sales, write currency call options or purchase currency put options, and operate in a foreign currency up to the level of weighting of the foreign currency in the reference index or in a customized reference index up to the weighting of the foreign currency in a part reference index, if there is no complete hedge through investments in the corresponding foreign currency. Investors must be notified of the reference index or part reference index (customized index). With the same objective the Fund may also sell or exchange currencies forward, specifically within the context of transactions on a non-regulated market concluded with first-class financial institutions which specialize in these transactions. The hedge objective sought through the aforementioned transactions requires the existence of a direct relationship between these assets and those to be hedged; this means that transactions carried out in a certain currency may as a rule neither exceed the value of assets denominated in this currency nor their term of ownership or residual life in order to be considered as a hedge.

In its accounting reports, the Fund must list the total amount of liabilities for the various sorts of transactions carried out arising from transactions current on the reporting date for the reports concerned. The Fund may also sell currencies forward or engage in currency swaps over the counter that are concluded with first-class financial institutions which specialize in these transactions.

10 Determination of the Net Asset Value of Shares

The total net asset value of the Fund is stated in EUR for accounting and reporting purposes. The net asset value of each Share Class and the issue, redemption, conversion or transfer price per share shall be expressed in the currency of the relevant Share Class.

Unless otherwise stipulated in the Special Part, the net asset value of the Sub-Funds and the Share Classes shall be, in principle, determined on each Business Day, as defined in section 12 "Issue of Shares", except of the Business Days on which the determination of the net asset value has been postponed in accordance with section 16 "Temporary suspension of Net Asset Value calculation, Issues, Redemptions and Conversions of Shares", (the "Valuation Day"). However, the net asset value of the Sub-Funds and the Share Classes may also be calculated on days which are not Business Days. Such net asset value may be made available, but may only be used for performance or fee calculations and statistics and cannot serve as a basis for subscriptions, redemptions, conversions or transfers of units in the Sub-Funds.

The net asset value per Share of each Share Class of each Sub-Fund shall be determined by the UCI Administrator under the supervision of the Board of Directors. The net asset value per Share of a particular Class will be calculated by dividing (i) the total assets of the Sub-Fund attributable to that Share Class less the total liabilities of the Sub-Fund attributable to that Share Class by (ii) the total number of Shares of that Class of the Sub-Fund outstanding. Shares of each Sub-Fund and Share Class and any additional sub-funds in the Fund are expected to perform differently, and each Sub-Fund (and Share Class if appropriate) will bear its own fees and expenses (to the extent specifically attributable to the Sub-Fund (or Share Class)). In particular, the costs associated with the conversion of monies in connection with the purchase, redemption and conversion of Shares of a Sub-Fund denominated in one currency but also offered in another currency will normally be borne by the relevant Share Class and will be reflected in the net asset value of such Class of Shares. Consequently, the net asset value per Share of each Sub-Fund and of the different Share Classes of a single Sub-Fund, if appropriate, is expected to differ.

The UCI Administrator, in respect of each Sub-Fund and in consultation with the Investment Managers, will compute the net asset value per Share of each Share Class for each Business Day to at least two (2) decimal places. For a Share Class which is expressed in a currency other than the Base Currency of the relevant Sub-Fund, the net asset value per Share of that Class shall be the net asset value attributable to the Shares of the Class of that Sub-Fund calculated in the Base Currency of the Sub-Fund and then converted into the other currency at the relevant currency exchange rate applicable on the relevant Business Day.

The Fund may temporarily suspend the determination of the net asset value per Share of a Sub-Fund or Share Class and the issue, redemption or conversion of Shares of a Sub-Fund or Share Class upon the occurrence of one or more of the following events:

a) during any period when any market or stock exchange, on which a material part of the investments of the relevant Sub-Fund (being an accumulation of approximately 20% or more of the investments) for the time being is quoted, is closed (other than for ordinary holidays), or during which dealings are substantially restricted or suspended;

b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets owned by the Fund attributable to such Sub-Fund would be impracticable;

c) during any breakdown or restriction in the use of the means of communication normally employed to determine the price or value of any of the investments attributable to such Sub-Fund or the current prices or values of any stock exchange;

d) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange;

e) during any period when in the opinion of the Board of Directors of the Fund there exist unusual circumstances where it would be impracticable or unfair towards the Shareholders to continue dealing with Shares of any Sub-Fund of the Fund or any other circumstance or circumstances where a failure to do so might result in the Shareholders of the Fund, a Sub-Fund or a Share Class incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Shareholders of the Fund, a Sub-Fund or a Share Class might not otherwise have suffered;

f) if the Fund, a Sub-Fund or a Share Class is being or may be wound up, on or following the date on which such decision is taken by the Board of Directors or notice is given to Shareholders of a general meeting of Shareholders at which a resolution to wind-up the Fund, a Sub-Fund or a Share Class is to be proposed;

g) in the case of a merger of the Fund or a Sub-Fund, if the Board of Directors deems this to be necessary and in the best interest of Shareholders; or

h) in the case of a suspension of the calculation of the net asset value of one or several funds in which a Sub-Fund has invested a substantial portion of assets.

A suspension of the determination of the net asset value of any Sub-Fund or Share Class shall be notified to those Shareholders who have made an application for subscription, redemption or conversion of Shares in respect of the relevant Sub-Fund or Share Class. Such subscriptions, redemptions and conversions shall be transacted on the next Business Day following the lifting of such suspension.

A suspension of the determination of the net asset value of any Sub-Fund or Share Class shall have no effect on the calculation of the net asset value per Share, or the issue, redemption and conversion of any other Share Class of that Sub-Fund or other Sub-Funds of the Fund unless they are equally affected.

For the purpose of calculating the net asset value per Share of a Sub-Fund, the following valuation principles will be observed.

The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

The value of transferable securities, Money Market Instruments and any financial liquid assets listed or dealt in on a stock exchange or on a Regulated Market, or any other regulated market, are generally valued at the last available known price in the relevant market prior to the time of valuation. Fixed Income securities not traded on such markets are generally valued at the last available price or yield equivalents obtained from one or more dealers or pricing services approved by the Board of Directors.

If such prices are not representative of their value, such securities are stated at market value or otherwise at the fair value at which it is expected they may be resold, as may be determined in good faith by or under the direction of the Board of Directors.

The liquidating value of futures, forward or options contracts not traded on a stock exchange or on Regulated Markets, or on other regulated markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The value of futures, forward or options contracts traded on a stock exchange or on Regulated Markets, or on other regulated markets shall be based upon the last available settlement or closing prices as applicable to these contracts on a stock exchange or on Regulated Markets, or on other regulated markets on which the particular futures, forward or options contracts are traded on behalf of the Fund; provided that if a future, forward or options contract could not be liquidated on the day with respect to which assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable.

All other transferable securities, Money Market Instruments and other financial liquid assets, including equity and debt securities, for which prices are supplied by a pricing agent but are not deemed to be representative of market values, but excluding Money Market Instruments with a remaining maturity of ninety days or less and including restricted securities and securities for which no market quotation is available, are valued at fair value as determined in good faith pursuant to procedures established by the Board of Directors. Money Market Instruments held by a Sub-Fund with a remaining maturity of 12 months or less will be valued by the amortized cost method, which approximates market value. Under this valuation method, the relevant Sub-Fund's investments are valued at their acquisition cost as adjusted for amortization of premium or accretion of discount rather than at market value.

Interest rate swaps will be valued on the basis of their market value established by reference to the applicable interest rate curve.

Credit default swaps and total return swaps will be valued at fair value under procedures approved by the Board of Directors. As these swaps are not exchange-traded but are private contracts into which the Fund and a swap counterparty enter as principals, the data inputs for valuation models are usually established by reference to active markets. However it is possible that such market data will not be available for credit default swaps and total return swaps near the date on which valuation is undertaken. Where such markets inputs are not available, quoted market data for similar instruments (e.g. a different underlying instrument for the same or a similar reference entity) will be used provided that appropriate adjustments be made to reflect any differences between the credit default swaps and total return swaps being valued and the similar financial instrument for which a price is available. Market input data and prices may be sourced from exchanges, a broker, an external pricing agency or a counterparty.

If no such market input data are available, credit default swaps and total return swaps will be valued at their fair value pursuant to a valuation method adopted by the Board of Directors which shall be a valuation method widely accepted as good market practice (i.e. used by active participants on setting prices in the market place or which has demonstrated to provide reliable estimate of market prices) provided that adjustments that the Board of Directors may deem fair and reasonable be made.

All other swaps will be valued at fair value as determined in good faith pursuant to procedures established by the Board of Directors.

Units or shares of open-ended UCIs will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Fund on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value.

The Board of Directors may, at its discretion, permit some other method of valuation to be used if it believes that such other method provides a valuation, which more accurately reflects the fair value of any asset of the Fund. Any such valuation shall be based on the probable realizable value which must be estimated with care and in good faith. In the event that any such change in valuation method is permanent and/or materially affects the net asset valuation of a Sub-Fund, the Board of Directors shall be obliged to provide adequate notice to the Shareholders.

The Investment Managers may upon the request of the Fund provide advice in relation to the valuation of investments but shall not have a duty or obligation to do so.

The Sub-Funds may utilize "fair value" prices provided by an independent fair value service and where they do this valuation will supersede, and be instead of, the method of valuation set out above although that method of valuation would form the basis of the valuation to which the fair value adjustment would be applied. Fair value prices may be used to ensure appropriate accounting for events that could affect the values of certain Sub-Fund holdings that may occur between the close of the market on which those holdings are traded and the time of determining the net asset value, and which would not otherwise be reflected in the net asset value.

One effect of using an independent fair value service may be to reduce stale pricing arbitrage opportunities presented by the pricing of Shares. However, this involves the risk that the values used by the Fund to price its securities may be different from those used by other investment companies and investors to price the same securities.

Generally, Sub-Fund security trades (but not necessarily other trades) are accounted for and valued in a Sub-Fund's net asset value on a trade date plus one basis. However, where events affecting the values of such securities occur between the time of trade execution and the calculation of net asset value the UCI Administrator, in consultation with the Investment Managers, may determine that such trades be accounted for in the Sub-Fund's net asset value on trade date if in their opinion such events would materially affect the net asset value of that Sub-Fund.

All account statements and annual and semi-annual reports of a Sub-Fund will be stated in its Base Currency.

Where, as the result of a miscalculation of the net asset value per Share of any Class of any Sub-Fund, a Shareholder has received a payment or Shares in excess of the correct value, the Shareholder agrees, upon determination on behalf of the Fund of the correct net asset value of such Shares, to repay or surrender such excess value to the Fund. In cases where excess Shares have been issued as a result of such error the Shareholder authorizes the Fund to cancel or redeem such Shares in order to correct such error and effect such repayment.

Swing pricing

Trading in a Sub-Fund (in particular subscription and redemption activities) translates as a rule in corresponding trading activities in the portfolio of the relevant Sub-Fund (i.e. purchase of additional instruments in case of subscriptions and sale of instruments held in the portfolio of the relevant Sub-Fund in case of redemptions). Such trading activities entail various costs, including but not limited to bid-ask spreads, brokerage fees, transaction taxes and similar. Frequent trading in the portfolio of a Sub-Fund arising from frequent trading in the Sub-Fund may result in transaction costs that might be non-negligible and have a detrimental financial impact on the investors in the Sub-Fund, in particular on the long-term investors. To protect those investors, the Board of Directors may decide to apply single swing pricing mechanism (the "SSP") in any Sub-Fund. The SSP mechanism adjusts the net asset value of the affected Sub-Fund, as calculated above, if a predetermined net capital activity threshold is exceeded ("partial" SSP), to accommodate it for those transaction costs. Subsequently, the adjustment takes place at the level of the relevant Sub-Fund and not at the level of an individual investor.

The adjustments of the net asset value on any Business Day in accordance with the SSP mechanism are made as follows:

a) the net asset value of all Share Classes of the relevant Sub-Fund shall be increased by the applicable swing factor, as defined below, if the total subscriptions less the total redemptions for all Share Classes of the Sub-Fund on the relevant transaction day results in a net asset inflow (net subscriptions). Subsequently, subscribing investors shall receive a lower number of shares than they would receive without the application of the SSP while redeeming investors shall receive a higher redemption amount than they would receive without the application of the SSP (investors subscribing for a certain number of shares shall pay a higher total subscription amount); or

b) the net asset value of all Share Classes of the relevant Sub-Fund shall be decreased by the applicable swing factor, as defined below, if the total subscriptions less the total redemptions for all Share Classes of the Sub-Fund on the relevant transaction day results in a net asset outflow (net redemptions). Subsequently, subscribing investors shall receive a higher number of shares than they would receive without the application of the SSP while redeeming investors shall receive a lower redemption amount than they would receive without the application of the SSP (investors subscribing for a certain number of shares shall pay a lower total subscription amount); or

c) no change shall be made if the net asset inflow or net asset outflow on the relevant transaction day does not exceed a certain threshold which may be determined by the Board of Directors for the relevant Sub-Fund (single swing pricing threshold).

The maximum adjustment that may be made to the net asset value of the relevant Sub-Fund, as described above ("Swing Factor") has been determined by the Board of Directors to amount to 1% of the net asset value of the relevant Sub-Fund. A higher Single Swing Pricing Factor may be applied for certain Sub-Funds as specified in the Special Part.

The Board of Directors may decide to apply a Swing Factor beyond the maximum adjustment level in case of exceptional market circumstances, such as periods of high volatility, reduced asset liquidity and market stress.

All Sub-Funds subject to the application of the SSP mechanism may be consulted on the Internet at vontobel.com/am.

Allocation of assets and liabilities

The assets and liabilities of the Fund shall be allocated to the relevant Sub-Funds as follows:

a) The proceeds from the issue of shares in a Sub-Fund and the assets and liabilities, income and expenditure attributable thereto shall be applied to this Sub-Fund in the books of the Fund, subject to the provisions below.
b) Derivatives from other investments shall be attributed to the same Sub-Fund as the underlying assets. Furthermore, any increase or diminution in value arising from a revaluation shall be applied to the relevant Sub-Fund.
c) Where the Fund incurs a liability which relates to any assets of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability shall be allocated to the relevant Sub-Fund.
d) If any asset or liability of the Fund arising from a specific Sub-Fund cannot be attributed to a particular Sub-Fund, this asset or liability shall be allocated to all Sub-Funds in proportion to their net asset values.
e) Following the record date on which the persons entitled to any divided declared in respect of a Sub-Fund are determined, the net asset value of the relevant Sub-Fund shall be reduced by the amount of such dividends.

If several Share Classes are set up within a single Sub-Fund, the rules above shall apply mutatis mutandis to the allocation of assets and liabilities between Share Classes.

If, in the reasonable opinion of the Board of Directors, a valuation in accordance with the above rules is rendered impossible or incorrect due to special or changed circumstances, the Board of Directors shall be entitled to use other generally recognized and auditable valuation principles in order to value the relevant Sub-Fund's assets or liabilities.

11 Shares

Shares shall only be issued in registered form. Issuance of bearer shares cannot be requested by the investor. Investors may not ask for their registered shares to be converted into bearer shares.

No certificates shall be issued. Upon request, a confirmation can be issued to the investor regarding the shares held by this investor.

All shares issued by the Fund shall be entered in the register of shareholders which shall be kept by the UCI Administrator.

Shares shall be issued only upon acceptance of the subscription, as set forth in section 12 (Issue of shares).

The shares of each Sub-Fund must be fully paid-up. They have no par value.

Except in the case of suspension of voting rights according to the provision set forth in section 9.3 (t), the shares issued by the Fund carry one vote per share regardless of their net asset value.

Subject to any provisions to the contrary in the Special Part, fractional registered shares shall be allotted to up to four decimal places. Fractional shares do not carry voting rights.

12 Issue of Shares

12.1. General

The provisions in this section apply, except where otherwise stated in the Special Part.

The Board of Directors is empowered at all times and without restriction to issue shares in all Sub-Funds or Share Classes.

The Board of Directors is not obliged to grant existing shareholders in the Fund the right to subscribe to additional shares issued (no pre-emptive rights). The Board of Directors reserves the right to cease the issue and sale of shares at any time, without giving a reasoning and without prior notice.

The shares are accepted for clearance and settlement through Fundsettle, Euroclear and Clearstream. The shares will be registered in Fundsettle, Euroclear or Clearstream in uncertified form. All shares held in Fundsettle, Euroclear or Clearstream will be held in the name of the nominee of Fundsettle, Euroclear or Clearstream or its depository.

The Board of Directors can merge all shares issued in a Sub-Fund or in a Share Class of a Sub-Fund or split them into a larger number of shares.

Shares can be issued on each Valuation Day, as defined below.

Subject to any provisions to the contrary set forth in the Special Part and in section 16, "Temporary suspension of net asset value calculation, issues, redemptions and conversions of shares", the following operational cycle applies:

Shareholders may submit subscription requests for shares on any day on which the banks in Luxembourg are open for normal business in Luxembourg (i.e. excluding Saturdays, Sundays, Good Friday, 24 December and 31 December and public holidays; the "Business Day"). A day on which one or more exchanges or markets on which instruments are traded that build the basis for valuing a substantial portion of the total net assets of a specific Sub-Fund are closed is not the Business Day.

Subscription applications can be sent by fax, by post or by any other communication means accepted by the UCI Administrator and must be received by the UCI Administrator, one of the Fund´s distributors or any other duly appointed agent of the Fund on a Business Day before 3.45 p.m. Luxembourg time (cut-off time, the "Subscription Day").

In deviation from the preceding paragraph, subscription applications for shares of the Sub-Funds

– Vontobel Fund II – Active Beta

– Vontobel Fund II – Active Beta Opportunities

must be received by the UCI Administrator, one of the Fund´s distributors or any other duly appointed agent of the Fund on a Business Day before 12.00 p.m. Luxembourg time (cut-off time) on the Subscription Day.

In deviation from the preceding paragraphs, subscription applications for shares of the Sub-Funds

– Vontobel Fund II – mtx Emerging Markets Sustainability Champions

– Vontobel Fund II – mtx China A-Shares Leaders

must be received by the UCI Administrator, one of the Fund´s distributors or any other duly appointed agent of the Fund on a Business Day before 2.45 p.m. Luxembourg time (cut-off time) on the Subscription Day.

Investors who have invested in the Fund through an intermediary may be subject to a different cut-off time which in any case will be earlier than the relevant cut-off time set forth here above.

The orders received after the relevant cut-off time on any given Business Day shall be deemed to be received on the following Business Day.

The Board of Directors may at any time and at its sole discretion reject one or more subscription orders, without indication of reasons and without prior notice.

The orders received on the Subscription Day before the relevant cut-off time shall be considered for the calculation of the net asset value for this Subscription Day on the immediately following Business Day being the Valuation Day for the subscription order. The contract notes indicating the relevant information on the subscribed Shares, such as the net asset value per Share, number of the Shares subscribed, amount to be paid, shall be sent to the investors on the Valuation Day.

The subscription price of shares is calculated according to the provisions in the section 10 "Determination of the Net Asset Value of Shares" and is based on the closing prices of and dated as of the Subscription Day if not set forth to the contrary in the Special Part.

Unless otherwise provided in the Special Part, the subscription price is based on the net asset value per share plus a 'Subscription Fee', if any, that may amount up to 5% of the net asset value per share, and any taxes, commissions and other applicable fees. The subscription price, including Subscription Fee, taxes, commissions and other fees, where applicable, must have been paid onto the relevant Fund's account within three (3) Business Days following the Subscription Day.

The Fund may, however, and upon request process a purchase application once the subscription sum has been received by a Paying Agent or facility provider or the Depositary in addition to the subscription application. Any differing amounts of up to CHF 25 per order (or the equivalent of that amount in the reference currency) arising on subscription on the basis of the reimbursement of incurred transaction costs shall not be reimbursed to shareholders. Any difference will be credited to the assets of the Sub-Fund in question.

The Fund shall not issue shares in any Share Class of a Sub-Fund during the period in which calculation of the net asset value of this Sub-Fund has been suspended on the basis of the authorization described above, as stipulated in section 16 "Temporary suspension of net asset value calculation, issues, redemptions and conversions of shares".

Subject to applicable laws and regulations, the Depositary, the local paying agents or facility providers or any other duly authorized agent may, at their sole discretion and upon an investor's request, accept the payment in currencies other than the Reference Currency or the subscription currency of the class that is sought to be subscribed. Exchange rates shall be established on the Valuation Day. Investor shall bear all fees associated with currency exchange.

The Board of Directors may determine at its full discretion and without giving any justification therefor that no further shares in a particular Sub-Fund or a particular Share Class will be issued.

An application for issue of Shares is irrevocable, except during the suspension period where calculation of the net asset value for the relevant Share Class or the issuance of the Shares of the relevant Class is suspended.

Specific details on the initial issue of shares may be given in the corresponding Sub-Fund appendix of the Special Part.

Upon request of an investor, the Board of Directors may issue shares in return for delivery of securities, money market instruments or other eligible assets (payment in-kind) on the condition that such a delivery of securities or other eligible assets is suitable to achieve the investment objective of the relevant Sub-Fund and is compliant with its investment policy.

The Fund's auditors will issue a valuation report relating to the payment in-kind without undue delay. All costs in connection with subscription in-kind (including auditors' costs and fees) shall be borne by the shareholder requesting such subscription.

12.2 Prevention of Money Laundering and Terrorist Financing.

In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to, the amended Law of 12 November 2004 on the fight against money laundering and financing of terrorism), the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, CSSF Circulars 13/556, 15/609 and 17/650 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector in order to prevent undertakings for collective investment from occurrences of money laundering and financing of terrorism. As a result of such provisions, the register and transfer agent of a Luxembourg undertaking for collective investment must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The UCI Administrator and the relevant distributor may require subscribers to provide any document they deem necessary to effect such identification.

In case of delay or failure by an applicant to provide the required documentation, the subscription request will not be accepted and in the event of redemption, payment of redemption proceeds delayed. Neither the Fund nor the Management Company, nor the UCI Administrator will be held responsible for said delay or for failure to process deals resulting from not providing documentation or providing incomplete documentation.

From time to time, shareholders may be asked to supply additional or updated identification documents in accordance with clients' ongoing due diligence obligations according to the relevant laws and regulations.

The Fund and the UCI Administrator are authorized to request from the distributor at any time evidence of compliance with all regulations and procedures concerning the identification of the potential investors and beneficial owners of a subscription. The distributors also observe all applicable local provisions regarding the prevention of money laundering and terrorist financing. If a distributor is not a financial sector professional, or is a financial sector professional but is not subject to a requirement to identify the potential investors and beneficial owners of a subscription that is equivalent to the requirement under Luxembourg law, the UCI Administrator is responsible for ensuring that the above identification is carried out.

In accordance with the Luxembourg law of 13 January 2019 establishing a register of beneficial owners, Shareholders are informed that the Fund or its delegates or service providers may need to communicate certain information to the register of beneficial owners in Luxembourg. The relevant authorities as well as the general public can access the register and the relevant information of the beneficial owners of the Fund, including the name, the month and year of birth, the country of residence and nationality. This law defines beneficial owners by reference to economic beneficiaries under the amended Law of 12 November 2004 on the fight against money laundering and financing of terrorism as Shareholders who own more than 25% of the shares of the Fund or who otherwise control the Fund.

13 Redemption of Shares

The provisions in this section apply, except where otherwise stated in the Special Part.

Shareholders may, in principle, request the redemption of some or all of their shares on any Business Day. Redemption applications can be sent by fax, by post or by any other communication means accepted by the UCI Administrator and must be received by the UCI Administrator, one of the Fund´s distributors or any other duly appointed agent of the Fund on a Business Day before 3.45 p.m. Luxembourg time (cut-off time, the "Redemption Day").

In deviation from the preceding paragraph, redemption applications for shares of the Sub-Funds

– Vontobel Fund II – Active Beta

– Vontobel Fund II – Active Beta Opportunities

must be received by the UCI Administrator, one of the Fund´s distributors or any other duly appointed agent of the Fund on a Business Day before 12.00 p.m. Luxembourg time (cut-off time) on the Redemption Day.

In deviation from the preceding paragraphs, redemption applications for shares of the Sub-Funds

– Vontobel Fund II – mtx Emerging Markets Sustainability Champions

– Vontobel Fund II – mtx China A-Shares Leaders

must be received by the UCI Administrator, one of the Fund´s distributors or any other duly appointed agent of the Fund on a Business Day before 2.45 p.m. Luxembourg time (cut-off time) on the Redemption Day.

Investors who have invested in the Fund through an intermediary may be subject to a different cut-off time which in any case will be earlier than the relevant cut-off time set forth here above.

The orders received after the relevant cut-off time on any given Business Day shall be deemed to be received on the following Business Day.

Subject to the provisions to the contrary in the Special Part, the orders received on the Redemption Day before the relevant cut-off time shall be considered for the calculation of the net asset value on the immediately following Business Day being the Valuation Day for the redemption order and shall be based on the closing prices of the Redemption Day. The contract notes indicating the relevant information on the redeemed shares, such as the net asset value per share, number of shares redeemed, amount to be paid, shall be sent to the investors on the Valuation Day.

The redemption price of shares is calculated according to the provisions in the section 10 "Determination of the Net Asset Value of Shares" and is based on the closing prices of the Redemption Day if not set forth to the contrary in the Special Part.

Unless otherwise provided elsewhere, the redemption price is based on the net asset value per share minus a Redemption Fee, if any, that may amount up to 0.3% of the net asset value per share and any taxes, commissions or other applicable fees and expenses.

Subject to the provisions to the contrary in the Special Part, the redemption price shall normally be paid no later than three (3) Business Days after the Redemption Day. Payment is made by bank transfer to an account for which details have been provided by the shareholder and with no liability whatsoever accepted by the Fund.

If redemption applications received on any Redemption Day for any Sub-Fund amount to more than 10% of its respective net assets ("Large Redemption"), the Board of Directors may resolve, in the interests of investors, to defer the execution of the redemption applications and to settle them over two or several Business Days on a pro rata basis ("gates"), so that no more than 10% of the net assets of the relevant Sub-Fund is affected on any single Business Day.

For the following Sub-Funds, the threshold stipulated in the previous sentence shall amount to 5% of the net assets of the respective Sub-Fund:

– Vontobel Fund II – Fixed Maturity Emerging Markets Bond 2026

– Vontobel Fund II – Fixed Maturity Emerging Markets Bond 2

Vontobel Fund II – mtx Emerging Markets Sustainability Champions The redemption applications received on the following Redemption Days shall be treated in a chronological order once the Large Redemption requests have been completely served. The investors shall be appropriately informed of the application of the Large Redemption procedure set forth above.

The payment of the redemption price in its entirety may be suspended for up to five (5) Business Days in the following cases:

a) if due to exceptional circumstances on one or more markets in which a substantial proportion of the investments in a Sub-Fund are invested, investment positions cannot be sold within a short space of time at their real value;
b) if redemption applications affect a Sub-Fund in which sensitive investment positions are held in line with its investment policy such as small-cap equities, which may not be sold immediately by the portfolio manager in the interests of shareholders without incurring a loss in value of the net assets of a Sub-Fund;
c) if redemption applications affect a Sub-Fund in which significant positions are, in line with its investment policy, held in investments traded in various time zones and various currencies or in currencies (e.g. Brazilian real, Indian rupee) whose tradability may be restricted.

The Board of Directors shall decide on any deferred payment of the redemption price in the above cases, taking into account the interests of all shareholders in this Sub-Fund. The resumption of normal payments shall take place in a way to ensure that the payments reflect the chronological order of redemption applications.

All redemption applications are irrevocable unless the valuation of the assets of the relevant Share Class is suspended (see section 16, "Temporary suspension of net asset value calculation, issues, redemptions and conversions of shares"). In this case, the revocation will be effective only if written notification is received by the UCI Administrator prior to termination of the suspension period. In the absence of a revocation, the redemption is carried out on the first valuation day after the suspension.

If the total net asset value of the shares of a Sub-Fund falls below or has not reached a level that permits effective portfolio management of the assets of the Sub-Fund, the Board of Directors may decide to repurchase all the shares of the Sub-Fund concerned. This repurchase shall be made at the net asset value applicable on a Valuation Day determined by the Board of Directors. Investors of the Sub-Fund concerned shall not bear any additional costs or other financial burdens as a result of this redemption. The provisions of this paragraph apply to compulsory redemptions of shares of a Share Class *mutatis mutandis.*

Compulsory redemptions of shares, as described in the previous paragraph, shall further be allowed in the event that the investor does not fulfill one or several conditions for holding shares in the relevant Share Class. The Board of Directors is also entitled to redeem all shares held by an investor in any other circumstances in which the Board of Directors determines in its absolute discretion that such compulsory redemption would help to avoid material legal, regulatory, pecuniary, tax, economic, proprietary, administrative or other disadvantages to the Fund, including but not limited to the cases where such shares are held by investors who fail to comply or to prove their compliance with any applicable laws and regulations.

Upon request of the shareholder subject to a forced redemption, the Board of Directors may permit this shareholder to convert his shares into the shares of a Share Class for which the shareholder fulfills all applicable requirements. The conversion shall be undertaken in accordance with the provisions of the section 15 "Conversion of Shares".

Subject to any applicable laws and regulations, the Depositary and/or any of the entities entrusted by the Depositary may, at their discretion and upon investors' request, accept to pay to the investor redemption proceeds in currencies other than the reference currency of the relevant Sub-Fund or the subscription currency of the relevant Share Class that has been redeemed by the investor. The exchange rate shall be established on the Valuation Day. Investor shall bear all fees associated with currency exchange.

Following a request from a shareholder and upon the authorization by the Board of Directors, a redemption in kind may be carried out. The investor should, as far as possible, receive a representative selection of the assets of the relevant Sub-Fund in assets and cash, equivalent in value to the value of shares redeemed. By selecting the assets from the portfolio in question, the Board of Directors shall take into account the interests of the redeeming investor and the investors remaining in the relevant Sub-Fund and shall observe the requirement to treat all shareholders equally. The assets and cash that remain in the portfolio of the relevant Sub-Fund after the redemption in kind shall still be suitable to achieve the investment objective of this Sub-Fund and be compliant with its investment policy. The value of the redemption in kind shall be confirmed by the auditors in accordance with Luxembourg law. All costs in connection with redemptions in-kind (including auditors' costs and fees) shall be borne by the shareholder requesting such redemption.

14 Transfer of Shares

The transfer of shares may normally be carried out by submitting a confirmation of this transfer to the UCI Administrator. For the purpose of identification of shareholders, a new owner of shares undertakes to complete a subscription request if they are a new shareholder in the Fund.

If the UCI Administrator receives a transfer application, it shall, following examination of the endorsement, be entitled to request that the signature(s) be verified by a bank, stockbroker or notary approved by it.

Prior to effecting such a transfer, shareholders are advised to contact the UCI Administrator to obtain assurance that they hold all documents required for the execution of this transfer.

The provisions of the sections 12 ("Issue of Shares") and 13 ("Redemption of Shares") apply *mutatis mutandis*.

15 Conversion of Shares

The provisions in this section apply, except where otherwise stated in the Special Part.

Shareholders may on any Business Day apply to convert all or part of their shares in one Share Class into shares in another Share Class of the same Sub-Fund or into shares in a Share Class of another Sub-Fund. The request for conversion is treated as a request for redemption (switch-out) and a subsequent request for issue of the shares in the desired Share Class (switch-in), provided that the relevant shareholder is eligible to subscribe into the switch-in Share Class. Conversion requests can be sent by fax, by post or by any other communication means accepted by the UCI Administrator and must be received by the UCI Administrator, one of the Fund´s distributors or any other duly appointed agent of the Fund on a Business Day before 3.45 p.m. Luxembourg time (cut-off time, the "Conversion Day").

In deviation from the preceding paragraph, conversion requests for shares of the Sub-Funds

– Vontobel Fund II – Active Beta
– Vontobel Fund II – Active Beta Opportunities

must be received by the UCI Administrator, one of the Fund´s distributors or any other duly appointed agent of the Fund on a Business Day before 12.00 p.m. Luxembourg time (cut-off time) on the Conversion Day.

In deviation from the preceding paragraphs, conversion applications for shares of the Sub-Funds

– Vontobel Fund II – mtx Emerging Markets Sustainability Champions
– Vontobel Fund II – mtx China A-Shares Leaders

must be received by the UCI Administrator, one of the Fund´s distributors or any other duly appointed agent of the Fund on a Business Day before 2.45 p.m. Luxembourg time (cut-off time) on the Conversion Day.

Investors who have invested in the Fund through an intermediary may be subject to a different cut-off time which in any case will be earlier than the relevant cut-off time set forth here above.

The orders received after the relevant cut-off time on any given Business Day shall be deemed to be received on the following Business Day.

Subject to the provisions of the Special Part to the contrary, the orders received on the Conversion Day before the relevant cut-off time shall be considered for the calculation of the relevant net asset values on the immediately following Business Day being the Valuation Day for the conversion order and shall be based on the closing prices of the Conversion Day. The contract notes indicating the relevant information on the converted shares, such as the net asset values per share, number of shares switched-out and switched-in, amount to be paid, if any, shall be sent to the investors on the Valuation Day.

Subject to the provisions of the Special Part to the contrary, the Conversion price, if any, must be received by the Depositary of the Fund no later than three (3) Business Days after the Conversion Day. The residual from the Conversion, if any, shall normally be paid no later than three (3) Business Days after the Conversion Day. Payment is made by bank transfer to an account for which details have been provided by the shareholder and with no liability whatsoever accepted by the Fund.

The Conversion price is calculated according to the provisions in the section 10 "Determination of the Net Asset Value of Shares" and is based on the closing prices of the Conversion Day if there is no provision to the contrary in the Special Part.

Unless otherwise provided elsewhere, the conversion price, if any, is based on the net asset values per share in the switched-out and in the switched-in Share Classes plus a Conversion Fee, if any, that may amount up to 1% of the value of the transaction and any taxes, commissions and other applicable fees.

No conversion can be made into the U Share Class.

Conversion into S shares is solely possible for institutional investors that meet the requirements for subscription to S shares.

Conversion into shares reserved for institutional investors is solely possible for institutional investors who meet the respective requirements for subscription of such shares.

Conversion into R shares is solely possible for investors that meet the requirements for subscription to R shares.

The number of shares to be issued in the switched-in Share Class is determined as follows:

$$A = \frac{B \times C \times E}{D}$$

A is the number of shares to be issued in the switched-in Share Class;

B is the number of shares of the switched-out Share Class;

C is the applicable net asset value per share of the switched-out Share Class minus any conversion fees, any taxes, commissions and other applicable fees if any;

D is the applicable net asset value per share of the switched-in Share Class;

E is the exchange rate (if any) between the currency of the switched-out and switched-in Share Classes.

Fractional shares of the new Share Class will be allotted to up to 4 decimal places. Any differences arising upon conversion shall only be refunded to shareholders if their amount exceeds CHF 25 (or the equivalent value of this sum in the respective currency) per request due to the transaction costs that would be incurred in connection with the remitting of such refund. If a difference is not refunded, it will be credited to that Sub-Fund whose shares are to be converted.

The provisions of sections 12 ("Issue of Shares") and 13 ("Redemption of Shares") relating to revocation of orders, rejection of orders as well as to the payments in currencies other than the currencies of the relevant Share Classes apply *mutatis mutandis.*

16 Temporary Suspension of Net Asset Value Calculation, Issues, Redemptions and Conversions of Shares

The Board of Directors is empowered temporarily to suspend the calculation of the net asset value of one or more Sub-Funds or one or more Share Classes and valuation per share as well as the issue, redemption, conversion and transfer of shares in the following cases:

a) when one or more stock exchanges or other markets used as the basis for valuing a substantial portion of the total net assets of a particular Sub-Fund are closed, for which trade is suspended, other than for ordinary holidays or if these exchanges and markets are subject to restrictions or considerable short-term volatility;

b) in an emergency as a result of which the availability or the determination of the valuation of assets owned by the Sub-Fund attributable to such a Sub-Fund would be impracticable; or

c) when the means of communication normally used in setting the price or value of investments in a particular Sub-Fund or used for the applicable prices or values on a securities exchange is interrupted;

d) during any period when the Fund is unable to repatriate funds for the purpose of paying the redemption price of the shares of such Share Class or when – in the opinion of the Board of Directors – any transfer of funds involved in the realization or acquisition of investments or in payments due on redemption of shares cannot be effected at normal exchange rates; or

e) in the event of publication (i) of a notification convening a general meeting of shareholders to resolve on liquidation of the Fund or of a Sub-Fund, or of a resolution of the Fund's Board of Directors to liquidate one or more Sub-Funds, or (ii), if suspension is justified with a view to protecting shareholders, in the event of a notification convening a general meeting of shareholders to resolve on merging the Fund or a Sub-Fund, or of a resolution of the Fund's Board of Directors with regard to merging one or more Sub-Funds.

The Board of Directors shall notify shareholders of the suspension in an appropriate manner. Shareholders who have submitted an application for subscription or redemption of shares in the Sub-Funds for which calculation of net asset value has been suspended will be notified immediately of the beginning and end of the period of suspension.

Such suspension in relation to any Sub-Fund shall have no effect on the calculation of the net asset value, the issue, redemption, conversion and transfer of the shares of any other Sub-Fund.

17 Risk Management Process and Liquidity Risk Management Process

a) Risk Management Process

The Management Company employs a risk management process, which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund, and covers notably market, liquidity, credit, counterparty risk and all other risks including operational risks, which are material for the Sub-Funds. In particular, it shall not solely or mechanistically rely on the credit ratings issued by credit rating agencies for assessing the creditworthiness of the Sub-Funds' assets. The Management Company employs a process for accurate and independent assessment of the value of OTC derivative instruments.
The measurement and monitoring of the global exposure of the Sub-Funds will be carried out either using a value at risk (VaR) or a commitment approach.

The commitment approach is generally calculated by converting the derivative contract into the equivalent position in the underlying asset embedded in that derivative, based on the market value of the underlying, and by applying netting and hedging in accordance with ESMA guidelines 10/788. The commitment arising from financial derivative instruments may not exceed the total net asset value of the Sub-Fund.

The VaR approach measures the potential loss to a fund at a particular confidence (probability) level over a specific time period and under normal market conditions. The Management Company uses the 99% confidence interval and one month measurement period for the purposes of carrying out this calculation.

There are two types of VaR measure which can be used to monitor and manage the global exposure of a Sub-Fund: “Relative VaR” and “Absolute VaR”. The absolute VaR approach calculates a Sub-Fund's VaR as a percentage of the net asset value of the relevant Sub-Fund, and shall not exceed an absolute limit of 20%.

Relative VaR is where the VaR of a Sub-Fund is divided by the VaR of an appropriate benchmark or reference portfolio, allowing the global exposure of a Sub-Fund to be compared to, and limited by reference to, the global exposure of the appropriate benchmark or reference portfolio. The VaR of the Sub-Fund shall not exceed twice the VaR of its benchmark.

The specific approach used by each Sub-Fund is set out in the relevant Sub-Fund appendix in the Special Part.

b) Liquidity Risk Management Process

The Management Company has established, implemented and consistently applies a liquidity risk management process and has put in place prudent and rigorous liquidity management procedures which enable it to monitor the liquidity risks of the Sub-Funds and to ensure compliance with the internal liquidity thresholds so that a Sub-Fund can normally meet its obligation to redeem its shares at the request of shareholders at all times.

Qualitative and quantitative measures are used to monitor portfolios and securities to seek to ensure investment portfolios are appropriately liquid and that Sub-Funds are able to honor shareholders' redemption requests. In addition, shareholders' concentrations are regularly reviewed to assess their potential impact on the liquidity of the Sub-Funds.

Sub-Funds are reviewed individually with respect to liquidity risks.

The Management Company's liquidity management procedure takes into account the investment strategy, the dealing frequency, the underlying assets' liquidity (and their valuation) and shareholder base.

The liquidity risks are further described in the section "Liquidity Risk" of section 7 “Notice Regarding Special Risks”.

The Board of Directors, or the Management Company as appropriate may also make use, among others of the following liquidity management tools to manage liquidity risk:

As described in section 10 “Determination of the Net Asset Value of Shares”, point E. Swing Pricing, the net asset value on any Valuation Day may be adjusted when the Sub-Fund experiences significant net subscriptions or redemptions.

As described under section 13 “Redemption of Shares”, where redemption applications constitute more than a certain percentage of the net assets of the relevant Sub-Fund on a Redemption Day, the Board of Directors may in the interests of investors only decide to execute redemption applications provided no more than such percentage of the net asset value of the respective Sub-Fund is affected on any single Business Day.

As described under section 13 “Redemption of Shares”, the payment in full of the redemption price may be suspended for up to five (5) Business Days in certain cases.

As described under Section 16 “Temporary suspension of the calculation of the net asset value, issue, redemption and conversion of shares”, the Fund is empowered to temporarily suspend the calculation of the net asset value of one or more Sub-Funds or one or more share classes and valuation per share as well as the issue, redemption and conversion.

As described under the section 13 “Redemption of Shares”, following a request from a shareholder and upon the authorization by the Board of Directors, carry out a redemption in kind.

Shareholders that wish to assess the underlying assets’ liquidity risk for themselves should note that the Sub-Funds complete portfolio holdings are indicated in the latest annual report, or the latest semi-annual report where this is more recent, as further described under section 22.2 Investor information.

18 Distribution Policy

The Board of Directors may decide to issue the shares of a Sub-Fund either as accumulation shares or income shares.

In the case of income shares, the general meeting of shareholders may decide to distribute capital and the Board of Directors may also decide to pay interim distributions.

Distributions may be paid out of realized or unrealized profit as well as out of invested capital. However, distributions shall not result in the Fund’s net assets falling below the stipulated minimum level as defined in the 2010 Law. Payment of distributions out of unrealized profit or out of invested capital may result in a reduction of the net asset value per Share over time and the net asset value per Share may fluctuate more than other Share Classes. Distribution of capital represents a withdrawal of a part of an investor's original investment. Payment of distributions out of unrealized profit may result in payment out of invested capital if the realization of the relevant position yields a return lower than its value calculated for the purpose of determining the distribution amount (i.e. if the relevant position exhibits a negative return during the period of calculating the distribution amount and the realization of this position).

No distributions shall be paid for accumulation shares. Shareholders of accumulation shares participate in the Sub-Fund’s profit and loss through a corresponding increase in value of their share.

Dividends not claimed within 5 years from their due date will lapse and revert to the relevant Share Class of the Sub-Fund.

19 Market Timing and Late Trading

Repeatedly buying and selling shares in order to exploit valuation inefficiencies in the Fund ('market timing') may affect the Fund’s investment strategies and increase the Fund's costs, thus having a detrimental impact on the interests of long-term shareholders in the Fund.

The Board of Directors does not permit such market timing practices and reserves the right to reject subscription and conversion applications from shareholders whom the Board of Directors suspects of engaging in such practices, and to take any measures necessary to protect other shareholders in the Fund.

Market timing is a form of arbitrage in which shareholders systematically subscribe and redeem/convert shares in the same mutual fund during a short period of time by exploiting time differences and/or errors/inefficiencies in calculating the fund's net asset value.

Late trading refers to the acceptance of subscription, conversion or redemption applications after the defined cut-off time on the respective transaction day and the execution of such orders based on the net asset value determined for the same day.

Accordingly, subscriptions, conversions and redemptions of shares are carried out on the basis of an unknown net asset value ('forward pricing').

20 Fees and Expenses

20.1 Management Fee

The relevant Sub-Fund pays a fee, known as a 'Management Fee', which covers all costs relating to possible services rendered in connection with investment management and distribution and is payable at the end of every month. The composition of this Management Fee is determined by the Investment Managers, insofar as applicable, the Sub-Investment Managers and the distributors concerned. The distribution fee may also be paid directly out of the assets of the relevant Sub-Fund. This Management Fee is calculated based on the average of the daily net asset values of the Sub-Fund concerned during the relevant month. Information regarding the applicable Management Fee for each Sub-Fund is given in the Special Part relating to the individual Sub-Funds.

20.2 Subscription Fee, Redemption Fee and Conversion Fee

Subscription Fee, Redemption Fee and/or Conversion Fee may be charged by local intermediaries when subscribing, redeeming and converting Shares. The actual fees may vary by Sub-Fund and Share Class and are calculated as a percentage of and deducted from the invested amount. Information regarding the maximum Subscription Fee, Redemption Fee and Conversion Fee for each Sub-Fund is stipulated in the Special Part for the respective Sub-Fund.

20.3 Performance Fee

A Performance Fee may be charged to the Sub-Funds subject to the provisions of the Special Part.

20.4 Service Fee

In addition, the relevant Sub-Fund pays a 'Service Fee', which covers the costs involved in central administration, management, the depositary function and support for the Fund. This Service Fee shall be calculated on the average daily net asset value of the relevant Sub-Fund during the relevant month and charged to the assets of the relevant Sub-Fund at the end of the month. Commissions due to the Management Company, the UCI Administrator, the Depositary, the Representatives and Paying and Information Agents for countries in which the Fund is sold are paid from this Service Fee.

Unless otherwise stipulated in the Special Part to the Sales Prospectus, the Service Fee amounts to a maximum of 1.0494% p.a. Unless the Special Part to the Sales Prospectus stipulates otherwise, this Service Fee is calculated based on the average of the daily net asset values of the Sub-Fund concerned during the relevant month and paid during the following month.

20.5 Further charges and costs

The Fund shall bear the fees and expenses of its auditors.

The relevant Sub-Fund bears its operational costs, including the costs incurred in connection with buying and selling securities as well as other transaction costs, costs for research services (including costs for ESG data and research providers), where applicable, governmental charges, economic advisory fees (including tax advisory, tax reporting and liquidity management tools advisory costs), legal fees, fees and expenses for proxy voting agents, interest, advertising, reporting and publishing expenses, postage, telephone, telex and other electronic communication charges and index fees, where applicable, as well as similar fees. These fees and expenses are charged to the assets of the relevant Sub-Fund and are considered in the price of shares.

The costs and expenses of establishing a Sub-Fund are borne by the Fund and amortized over the first five years or written off directly against income and capital. Current expenses will be charged first against income and any excess amounts will be charged to capital.

In relation to the payment or the receipt of any fees, charges, costs or commissions, the Management Company must act honestly, fairly and professionally in accordance with the best interests of the relevant Sub-Fund. The Management Company will not be regarded as acting so if, in relation to the activities of investment management and administration of the relevant Sub-Fund, it pays or is paid any fee or commission, or provides or is provided with any non-monetary benefit, other than the following:

a) a fee, commission or non-monetary benefit paid or provided to or by the relevant Sub-Fund or a person on behalf of the relevant Sub-Fund;
b) a fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of a third party, where the following conditions are satisfied:
    (i) the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount must be clearly disclosed to the Fund in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant service;
    (ii) the payment of the fee or commission, or the provision of the non-monetary benefit must be designed to enhance the quality of the relevant service and not impair compliance with the Management Company's duty to act in the best interests of the relevant Sub-Fund;
    (iii) the payment of the fee or commission, or the provision of the non-monetary benefit must be directly related to the management of the Fund;
    (iv) payments due to a brokerage commission or fee shall be done in favor of entities and not of individuals;
    (v) payment of a fee, commission or non-monetary benefit by or to the Investment Managers shall be disclosed and reported to the Management Company on a regular basis;
c) proper fees which enable or are necessary for the provision of the relevant service, including custody costs, settlement and exchange fees, regulatory levies or legal fees, and which, by their nature, cannot give rise to conflicts with the Management Company's duties to act honestly, fairly and professionally in accordance with the best interests of the relevant Sub-Fund.

For the purposes of letter b) point i) here above, the Management Company may disclose the essential terms of the arrangements relating to the fee, commission or non-monetary benefit in summary form, provided that the Management Company undertakes to disclose further details at the request of the shareholder and provided that it honors that undertaking. The exact amount of remuneration paid for fees and expenses is given in the semi-annual and annual report.

21 Taxation

21.1 The Fund

Under current law and practice, the Fund and the Sub-Funds are not liable to any Luxembourg income taxes or net wealth tax.

The Sub-Funds are, in principle, subject to a subscription tax (taxe d'abonnement) levied at the rate of 0.05% per annum based on their net asset value at the end of the relevant quarter, calculated and paid quarterly.

Subscription tax reduction

A reduced subscription tax rate per annum may however be applicable as follows:

(i) 0.01% for a Sub-Fund authorized as Money Market Fund pursuant to Regulation (EU) 2017/1131 of the European Parliament and Council of 14 June 2017

(ii) 0.01% for a Sub-Fund or Share Class provided that their shares are reserved to one or more institutional investors within the meaning of article 174 of the 2010 Law (an "Institutional Investor").

(iii) The Sub-Funds may further benefit from reduced subscription tax rates depending on the value of their net assets invested in economic activities that qualify as environmentally sustainable within the meaning of Article 3 of EU Taxonomy except for the proportion of net assets invested in fossil gas and/or nuclear energy related activities (the “Qualifying Activities”). The reduced subscription tax rates would be of:

a. 0.04% if at least 5% of the total net assets of any individual Sub-Fund, are invested in Qualifying Activities;

b. 0.03% if at least 20% of the total net assets of any individual Sub-Fund, are invested in Qualifying Activities;

c. 0.02% if at least 35% of the total net assets of any individual Sub-Fund, are invested in Qualifying Activities; and

d. 0.01% if at least 50% of the total net assets of any individual Sub-Fund, are invested in Qualifying Activities.

The subscription tax rates mentioned above would only apply to the net assets invested in Qualifying Activities.

In order to qualify for the reduced rates referred to under (i) to (iii) above, the Fund and its Sub-Funds shall state the value of the eligible net assets separately in the periodic statements addressed to the Luxembourg tax authorities.

Subscription tax exemption

A subscription tax exemption may apply to:

(i) The portion of any Sub-Fund's assets (pro rata) invested in a Luxembourg investment fund or any of its sub-funds to the extent it is subject to the subscription tax;

(ii) Any Sub-Fund (i) whose securities are reserved to Institutional Investor(s), and (ii) authorized as Money Market Fund pursuant to Regulation (EU) 2017/1131 of the European Parliament and Council of 14 June 2017 and (iii) that has obtained the highest possible rating from a recognized rating agency. If several Share Classes are in issue in the relevant Sub-Fund meeting (ii) to (iii) above, only those Share Classes also meeting (i) above will benefit from this exemption;

(iii) Any Sub-Fund whose securities are reserved for:

a. institutions for occupational retirement, or similar investment funds, created by one or more employers for the benefit of their employees; or

b. companies of one or more employers investing their funds to provide retirement benefits for their employees; or

c. investors who have subscribed to a Pan-European Personal Pension Product pursuant to Regulation (UE) 2019/1238 of the European Parliament and Council of 20 June 2019;

(iv) Any Sub-Fund whose main objective is to invest in micro-finance institutions;

(v) Any Sub-Fund whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognized and open to the public and whose exclusive object is to replicate the performance of one or more indices (also called “exchange traded fund”); and

(vi) Any Sub-Fund authorized as European long-term investment funds within the meaning of Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds.

In order to qualify for the exempt rates referred to under (i) to (vi) above, the Fund and its Sub-Funds shall state the value of the eligible net assets separately in the periodic statements addressed to the Luxembourg tax authorities.

The subscription tax rate applicable to the respective Share Class is set forth in the Special Part.

Withholding tax

Fund withholding tax

Distributions made by the Fund as well as capital gains realized on a disposal or a redemption of Shares are not subject to withholding tax in Luxembourg.

Withholding tax in source countries

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be subject to tax on the realized or unrealized capital appreciation of its assets in the countries of origin. The Fund may benefit from some double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

21.2 Shareholders

Prospective investors should seek professional advice on the possible tax-related or other consequences of the buying, holding, conversion, disposal or redemption of shares of the relevant Sub-Fund in their own country, at their place of residence or tax domicile.

Except as described in 'European Legislation' below, under current legislation shareholders are not subject to investment income tax, income tax, estate duties, inheritance tax or any other tax in Luxembourg (with the exception of shareholders with a tax domicile, residence or business establishment in Luxembourg).

European Legislation

Automatic Exchange of Information

CRS

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multi-lateral automatic exchange of information (AEOI) on a global basis. On 29 October 2014, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "DAC2") was adopted in order to implement the CRS among the EU Member States (the "Member States").

The CRS and DAC2 were implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). The CRS Law requires Luxembourg financial institutions to identify their financial account holders (including certain entities and their controlling persons) and establish if they are fiscally resident in (i) an EU Member State other than Luxembourg or (ii) a jurisdiction which has signed the Multilateral Agreement and which is identified in the list of reportable jurisdictions published by Grand Ducal Decree ("CRS Reportable Accounts"). The first official list of CRS reportable jurisdictions was published on 24 March 2017 and is updated from time to time. Luxembourg financial institutions will then report the information on such CRS Reportable Accounts to the Luxembourg tax authorities (Administration des Contributions Directes), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Fund may require its Investors to provide information or documentation in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status. Responding to CRS related questions is mandatory. The personal data obtained will be used for the purpose of the CRS Law in compliance with Luxembourg data protection law. Information regarding an Investor and his/her/its account will be reported to the Luxembourg tax authorities (Administration des Contributions Directes), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis, if such an account is deemed a CRS reportable account under the CRS Law.

The Fund is responsible for the treatment of the personal data provided for in the CRS Law. The Investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (Administration des Contributions Directes) which can be exercised by contacting the Fund at its registered office. The Fund will notify on an automatic and annual basis each individual shareholder that information relating to that shareholder will be collected and transferred in accordance with the CRS Law and transmit to each shareholder concerned all the information that the shareholder is entitled to receive from the data controller within a sufficient period of time to allow the shareholder to exercise his data protection rights and, in any event, before the information is communicated to Luxembourg tax authorities.

The Fund reserves the right to refuse any application for Shares if the information, whether provided or not, does not satisfy the requirements under the CRS Law.

No assurance can be given that the Fund will be able to comply with the CRS Law and, in the event that the Fund is not able to do so, it could be exposed to fines which may reduce the amounts available to it to make payments to the shareholders.

Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

DAC6

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning (“DAC6”).

More specifically, the reporting obligation will apply to cross border arrangements that, among others, satisfy one or more “hallmarks” provided for in DAC6 (the “Reportable Arrangements”).

In the case of a Reportable Arrangement, the information that must be reported includes the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any Member States likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with persons that design, market or organize the Reportable Arrangement and advisors (intermediaries). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

The information reported will be automatically exchanged between the tax authorities of all Member States.

In light of the broad scope of DAC6, transactions carried out by the Fund may fall within the scope of DAC6 and thus be reportable (subject however to the way DAC6 will be implemented into national laws).

The above is simply a short summary of the effects of the DAC2 and DAC6 and of the Luxembourg Law and is based on its current interpretation. This summary makes no claim to being complete. It includes no investment or tax advice. Investors are therefore advised to obtain advice from their financial or tax advisor with regard to all the effects of the DAC2, DAC6 and of the Luxembourg Law relevant to themselves.

22 General Information

22.1 Organization

The Fund is an investment company formed as a public limited company under Luxembourg law. It has the specific legal form of an investment company with variable capital (SICAV). The Fund was incorporated under the name of “Wegelin (Lux) Funds SICAV” on 7 September 2007 and was published in the Mémorial C. Recueil des Sociétés et Associations (the “Mémorial”), on 25 September 2007. The name was changed with effect on 29 May 2012 from Wegelin Asset Management Funds SICAV to 1741 Asset Management Funds SICAV. Effective as of 28 April 2017, the Fund has been re-named into Vontobel Fund II. The Articles were amended for the last time on 30 March 2017 with effect from 28 April 2017.

The Fund is entered in the commercial register of Luxembourg, under no. B131432. Copies of the amended Articles are available for inspection in the commercial register of Luxembourg and the registered office of the Fund in Luxembourg.

22.2 Investor information

The currently valid version of the Sales Prospectus, the Fund's Articles, the latest annual report, or the latest semi-annual report where this is more recent, and the KIDs for the Sub-Funds are available from the UCI Administrator, the Depositary, the relevant Paying and Information Agents in the countries in which the Fund is distributed and the representative in Switzerland. The Management Company may give to Investors further information to enable the relevant Investors to comply with the legal and regulatory requirements applicable to them.

22.3 Publication of prices

The net asset value per share shall be calculated on each Valuation Date. A list of the days on which the net asset value per share is calculated is available on request from the registered office of the Management Company. The net asset value calculated on a Valuation Date will be published with the date of the transaction day. Exceptions to this, if any, may be specified in the Special Part. The net asset value shall be determined in the currency of the Sub-Fund concerned. The net asset value per Share Class as well as the issue and redemption prices shall be made available at the registered office of the Fund and through the representatives of the Fund in the countries where the Fund has been approved for distribution.

22.4 General meetings and reporting

The annual general meeting takes place in Luxembourg at a place specified in the convening notice on the last Friday in the month of August of each year, or if not a Business Day, on the next succeeding Business Day. A notice convening the meeting at least 8 days prior to the general meeting shall be sent to the Shareholders at the addresses entered in the register. These invitations will include information on the time and place of the General Meeting, the conditions for admission, the agenda and on the necessary quorum and majority provisions under Luxembourg law. The conditions for admission and the provisions on quorum and majorities for all General Meetings are set out in the relevant provisions of the Luxembourg law dated 10 August

1915 concerning commercial companies, as amended, and in the Articles. According to the Articles, any resolution that concerns only one Share Class or Sub-Fund or that unfavorably alters the rights of one Share Class or Sub-Fund shall be valid only if approved by a majority within each Share Class or each affected Sub-Fund, as provided by applicable law and the Articles.

Audited annual reports for the Fund converted into Euro ("EUR") and for each of the Sub-Funds drawn up in the reference currency of the relevant Sub-Fund as well as unaudited semi-annual reports may be obtained at the registered office of the Fund and shall be mailed free of charge to registered shareholders upon request. The audited annual reports and unaudited semi-annual reports for the Fund will also be made available on the Internet at vontobel.com/am for all Sub-Funds and at the registered office of the Fund. The accounting year of the Fund ends each year on 31 March.

22.5 Liquidation of Sub-Funds or Share Classes/Merger and division of Sub-Funds or Share Classes/Pooling

1. Pursuant to the Articles, the Board of Directors may decide to liquidate a Sub-Fund or a Share Class if the net asset value of a Sub-Fund/Share Class has fallen to or has not achieved a value set by the Board of Directors as the minimum value for economically efficient management of this Sub-Fund/Share Class, or if a change in the economic or political situation which affects the Sub-Fund concerned justifies such liquidation under consideration of the interests of shareholders, or if liquidation of a Sub-Fund/Share Class is in the interests of shareholders for any other reason. The shareholder shall be informed about the liquidation, and the notification shall indicate the reasons for the liquidation and the key data relating to the liquidation. Shareholders of the Sub-Funds/ Share Classes to be liquidated may continue to request redemption or conversion of their shares, unless the Board of Directors decides that this is not admissible and justifies this as being in the interest of the shareholders or in order to guarantee equal treatment of the shareholders. When calculating the liquidation price, provisions will be built to cover the costs likely to be caused by the liquidation and which are to be charged to the assets of the Sub-Fund to be liquidated. Liquidation proceeds which it was not possible to distribute upon completion of the liquidation of the relevant Sub-Fund or the relevant Share Class will be deposited with the Caisse de Consignation in Luxembourg in favor of the beneficiaries in accordance with the applicable laws and regulations after liquidation is completed.
2. The merger of Sub-Funds of the Fund, the merger of Sub-Funds of the Fund with Sub-Funds of other UCITS and the merger of the Fund are subject to the rules in this regard contained in the 2010 Law and to any implementing regulation. Accordingly, the Board of Directors shall decide on any merger of Sub-Funds of the Fund or of Sub-Funds of the Fund with Sub-Funds of other UCITS, unless the Board of Directors resolves to submit the decision on merging to a meeting of shareholders in the Sub-Fund or Sub-Funds affected. No quorum rule shall apply to this meeting and decisions shall be passed by simple majority of votes cast. If the Fund is dissolved as a result of the merging of Sub-Funds, the meeting of shareholders must approve such a merger, whereby the same quorum and majority rules shall apply as to an amendment of the Articles.
3. The Board of Directors may decide to divide a Sub-Fund into two or more Sub-Funds if it ascertains that this is in the interests of the shareholders of the Sub-Fund in question or in particular if such a division appears expedient due to a change in the economic or political situation. The decision will be published or announced to shareholders by registered mail. The announcement will also contain additional information about the new Sub-Funds. The announcement will be published at least one month before the date on which the restructuring takes effect and shareholders will have the right to request that their shares be redeemed, free of charge, before the restructuring enters into force.
4. If a merger or division of the Sub-Funds, as described above, results in holders being allocated fractions of shares and if the relevant shares are admitted for settlement in a clearing system which however is not permitted to authorize the clearance or liquidation of fractions of shares, the Board of Directors may redeem the relevant fraction. The net asset value of the redeemed portion will be distributed to the relevant shareholders unless such amount is less than CHF 35. This also applies if the Board of Directors has decided not to invest any fractions of shares in the Sub-Fund concerned.
5. The provisions relating to merger and division of the Sub-Funds set forth in the fig. 2-4 above, apply to Share Classes *mutatis mutandis.*
6. The Board of Directors may invest and manage all or any part of the assets of two or more Sub-Funds (hereafter referred to as 'Participating Sub-Funds') on a pooled basis. Any such enlarged asset pool (an "Enlarged Asset Pool") shall first be formed by transferring to it cash or (subject to the limitations mentioned below) other assets from each of the Participating Sub-Funds. The Board of Directors may make subsequent further transfers to the Enlarged Asset Pool at any time. The Board of Directors may also transfer assets from the Enlarged Asset Pool to a Participating Sub-Fund, up to the amount of the participation of the Participating Sub-Fund concerned. Assets other than cash may be transferred to an Enlarged Asset Pool only if they are suitable for the investment sector of the Enlarged Asset Pool concerned. The assets of the Enlarged Asset Pool to which each Participating Sub-Fund shall be entitled on a proportionate basis shall be determined in accordance with the allocations and withdrawals of assets by the Participating Sub-Fund and the allocations and withdrawals made on behalf of the other Participating Sub-Funds.
7. Dividends, interest payments and other distributions considered as income received in respect of the assets in an Enlarged Asset Pool will be credited to the Participating Sub-Funds, in proportion to their respective entitlements to the assets in the Enlarged Asset Pool at the time the relevant payment is received.

22.6 Dissolution of the Fund

If the capital of the Fund falls below 2/3 of the minimum capital, the Board of Directors must submit the question of dissolving the Fund to a General Meeting of shareholders; no quorum shall be prescribed for such a meeting and the question shall be decided by a simple majority of the shares represented at the meeting. If the capital of the Fund falls below 1/4 of the minimum capital, the Board of Directors must submit the question of dissolution to a General Meeting of shareholders; no quorum shall be prescribed for such a meeting, and the dissolution may be resolved by shareholders holding 1/4 of the shares represented at the meeting. The minimum share capital is EUR 1,250,000.

Liquidation of the Fund will be carried out in accordance with the provisions of Luxembourg law and the Articles of the Fund. The liquidation proceeds for each Share Class will be distributed to the holders of shares in the relevant class in proportion to the number of shares held in this class. Amounts which have not been claimed by shareholders at the close of the liquidation will be deposited in escrow with the Caisse de Consignation. Should these amounts not be claimed within the prescribed period, the claims will lapse in accordance with the provisions of Luxembourg law.

22.7 Contracts of fundamental importance

I. The following agreements have been concluded by the Fund:

An agreement between the Fund and Vontobel Asset Management S.A. under the terms of which Vontobel Asset Management S.A. was appointed management company of the Fund.

II. The following agreements have been concluded by the Management Company and/or the Fund, as the case may be:

a) an agreement between the Management Company and Vontobel Asset Management AG under the terms of which the latter was appointed Investment Manager for all the Sub-Funds except the Sub-Funds listed below.
b) an agreement between the Management Company, the Fund and State Street Bank International GmbH, Luxembourg branch under the terms of which the latter was appointed Depositary of the Fund.)
c) an agreement between Vontobel Asset Management S.A. and Duff & Phelps Investment Management Co, under the terms of which Duff & Phelps Investment Management Co was appointed to manage the Sub-Fund Vontobel Fund II – Duff & Phelps Global Listed Infrastructure.
d) an agreement between Vontobel Asset Management S.A. and Bank Vontobel Europe AG, under the terms of which Bank Vontobel Europe AG was appointed Investment Manager for the Sub-Funds Vontobel Fund II – Active Beta and Vontobel Fund II – Active Beta Opportunities.
e) an agreement between the Management Company, the Fund and State Street Bank International GmbH, Luxembourg branch under the terms of which the latter was appointed UCI Administrator of the Fund.

22.8 Performance

The performance of the Sub-Funds concerned can be found in the relevant KID as well as in the periodic reports produced for the Fund.

22.9 Inspection of documents

Copies of the Articles of the Fund, the latest annual and semi-annual reports of the Fund and of each Sub-Fund and of the material contracts referred to above are available for inspection at the registered office of the Fund in Luxembourg. Copies of the Articles and of the latest reports may be obtained there free of charge.

22.10 Country-specific appendices

Additional information for investors resident outside Luxembourg can be appended.

22.11 EU Benchmark Regulation

Regulation (EU) 2016/1011 (also known as the "EU Bench-mark Regulation") requires the Management Company to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark (as defined by the EU Benchmark Regulations) materially changes or ceases to be provided. The Management Company shall comply with this obligation. Further information on the plan is available on request at the registered office of the Management Company.

MSCI Limited is the administrator of the benchmark used by the following Sub-Funds:

– Vontobel Fund II – mtx Emerging Markets Sustainability Champions
– Vontobel Fund II – mtx China A-Shares Leaders
– Vontobel Fund II – Megatrends

and is entered as such in the ESMA register of benchmark administrators.

FTSE International Limited is the administrator of the benchmarks used by the following Sub-Funds:

– Vontobel Fund II – Duff & Phelps Global Listed Infrastructure and is entered as such in the ESMA register of benchmark administrators.

22.12 European Facilities Agent

In line with the requirements of Directive (EU) 2019/1160 with regard to cross-border distribution of collective investment undertakings, the Fund has appointed the following

European Facilities Agent:
PwC Société coopérative – GFD
2, rue Gerhard Mercator B.P. 1443
L-1014 Luxemburg
Luxemburg
Email: lu_pwc.gfd.facsvs@pwc.com

The Facilities Agent is the entity in charge of the tasks listed under Directive 2009/65/CE, Article 92 (1), points b to f, as amended.

Further information on the distribution of the Fund's shares in an official language of the respective distribution country can be found on the corresponding website:

Belgium
https://gfdplatform.pwc.lu/facilities-agent/view/vfii-befr
https://gfdplatform.pwc.lu/facilities-agent/view/vfii-benl
Finland
https://gfdplatform.pwc.lu/facilities-agent/view/vfii-fi
France
https://gfdplatform.pwc.lu/facilities-agent/view/vfii-fr
Germany
https://gfdplatform.pwc.lu/facilities-agent/view/vfii-de
Italy
https://gfdplatform.pwc.lu/facilities-agent/view/vfii-it
Netherlands
https://gfdplatform.pwc.lu/facilities-agent/view/vfii-nl
Norway
https://gfdplatform.pwc.lu/facilities-agent/view/vfii-no
Spain
https://gfdplatform.pwc.lu/facilities-agent/view/vfii-es
Sweden
https://gfdplatform.pwc.lu/facilities-agent/view/vfii-sv

For requests in relation to the subscription or redemption of the Fund’s shares and other payments, please contact your usual bank/intermediary. Alternatively, you can contact the Management Company (for private investors) or the UCI Administrator (for professional investors).

Special Part

1 Vontobel Fund II – Active Beta

1 Reference currency
EUR

2 Investment Objective
The investment objective of Vontobel Fund II – Active Beta (the “Sub-Fund”) is to achieve a consistent absolute capital appreciation.

3 Promotion of environmental and social characteristics
The Sub-Fund promotes environmental and social characteristics within the meaning of Article 8 SFDR and invests in issuers that the Investment Manager considers well-prepared to handle financially material environmental and social challenges. Issuers will be selected based on the Investment Manager’s ESG framework. The ESG approach will be applied to the Sub-Fund's securities portfolio and target funds. For the avoidance of doubt, where the exposure to an asset class is built up via derivatives, a part or all of the securities portfolio may serve as collateral for such derivative transactions. Information on environmental and social characteristics is available in the Annex 1 “Environmental and/or social characteristics” to this Sub-Fund.

4 Investment Policy
While respecting the principle of risk diversification, the Sub-Fund shall build up an exposure to equity markets, to fixed-income asset class as well as to money markets.

This exposure can be achieved either directly by inter alia purchasing shares or other equity-like instruments (such as participation certificates, depositary receipts, such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and European Depositary Receipts (EDRs), and including real estate equities and transferable securities issued by companies that qualify as closed-ended real estate investment trusts, which are listed on a Regulated Market or on one of the markets referred to in section 9 “Investment and Borrowing Restrictions” of the General Part), bonds, notes or similar fixed-interest or floating-rate securities and money market instruments or indirectly via derivatives, traded on exchanges or over-the-counter, such as futures, forwards, options and warrants, or via other investment schemes, including exchange traded funds.

The exposure of the Sub-Fund to the equity markets, fixed-income asset class and money markets shall amount to at least 51% of the net assets of the Sub-Fund.

The allocation between the equity and the fixed-income asset classes shall be determined based on the respective market fundamentals in these asset classes.

The investment decision process in the Sub-Fund shall be heavily based on the proprietary GLOCAP Technology. GLOCAP is an abbreviation standing for Global Conditional Asset Pricing and refers to conditional multi-factor valuation models. The factors used in these models are global macro-economic fundamental variables whose evaluation permits a formulation of expectations on the changes in the relevant return drivers (systematic risk factors). Subsequently, the expectations derived from such models are brought into and made part of the investment management decision process.

The exposure achieved via eligible UCITS and/or other UCIs may amount to a maximum of 10% of the Sub-Fund's net assets and may include undertakings for collective investment managed by a company belonging to the Vontobel Group.

The derivatives may also be used for hedging purposes.

The Sub-Fund may hold bank deposits for liquidity management. The Sub-Fund may also hold up to 20% of its net assets in bank deposits at sight.

5 Fees, expenses and commissions
The fees and expenses that may be charged to the Share Classes of the Sub-Fund are described in section 20 "Fees and expenses" of the General Part.

The Service Fee shall be charged to all the Share Classes and amount to maximum 1.0494% per annum of the net asset value of a share class.

The Subscription Fee, where applicable, may amount up to 5% of the net asset value per share, the Redemption Fee may amount up to 0.3% of the net asset value per share.

The applicable rates of Management Fee and taxe d’abonnement and the minimum subscription amount, if any, are stipulated in the share class table below.

ISIN	Share Class	Currency	Distr. Policy	Investor Type	Tax d'Abo	Min. subscr. (Sub-Fund currency	Launch date	Mgmt Fee Max	Performance Fee
LU1936094736	H (hedged)	CHF	accumulating	Retail	0.050%	-	1/21/2019	0.900%	No
LU1936094819	HI (hedged)	CHF	accumulating	Institutional	0.010%	-	1/21/2019	0.450%	No
LU2054024034	HR (hedged)	CHF	accumulating	Retail	0.050%	-	12/10/2019	0.600%	No
LU2265799747	HN (hedged)	CHF	accumulating	Retail	0.050%	-	12/10/2020	0.450%	No
LU1617166936	AI	EUR	distributing	Institutional	0.010%	-	11/11/2002	0.550%	No
LU1734079632	R	EUR	accumulating	Retail	0.050%	-	1/12/2018	0.600%	No
LU1936094496	A	EUR	distributing	Retail	0.050%	-	1/21/2019	1.100%	No
LU1936094579	B	EUR	accumulating	Retail	0.050%	-	1/21/2019	0.900%	No
LU1936094652	I	EUR	accumulating	Institutional	0.010%	-	1/21/2019	0.450%	No
LU1936095030	N	EUR	accumulating	Retail	0.050%	-	1/21/2019	0.450%	No
LU1998912353	S	EUR	accumulating	Institutional	0.010%	-	6/12/2019	0.000%	No

The exact amount of remuneration paid is provided in the semi-annual and annual report.

6 Subscription, Redemption and Conversion of Shares

By way of derogation from the provisions of sections 12 to 15 of the General Part, shares of the Sub-Fund may be purchased upon notice to the distributor or to the UCI Administrator on any Business Day (= the “Subscription Day”), unless the calculation of the NAV has been temporarily postponed or the subscription requests cannot be temporarily served in accordance with chapter 16 in the General Part. The Shares are purchased at the net asset value per Share of the relevant Class of Shares of the Sub-Fund plus any applicable Sales Charge. Investors must give notice to the UCI Administrator not later than 12:00 (noon) Luxembourg time on the Subscription Day (the cut-off time). The subscription price is calculated on the Valuation Date that is two Business Days following the Subscription Day and is based on the closing prices of the Business Day immediately following the Subscription Day. The subscription amount must be received by the Depositary on the next Business Day after the Valuation Date, at the latest.

Shares of the Sub-Fund may be redeemed upon notice to the distributor or to the UCI Administrator on any Redemption Day, unless the calculation of the NAV has been temporarily postponed or the redemption requests cannot be temporarily served in accordance with chapter 16 in the General Part. The Shares are redeemed at the net asset value per Share of the relevant Class of Shares of the Sub-Fund minus any applicable Redemption Fee.

Investors must give notice to the UCI Administrator not later than 12:00 (noon) Luxembourg time on the Redemption Day (the cut-off time). The redemption price is calculated on the Valuation Date that is two Business Days following the Redemption Day and is based on the closing prices of the Business Day immediately following the Redemption Day. The Fund intends to pay redemption proceeds on the next Business Day after the Valuation Date, at the latest.

These provisions apply to the conversion of shares *mutatis mutandis.*

7 Typical investor profile

This Sub-Fund is aimed at private and institutional investors with a long-term investment horizon who wish to generate a higher level of capital appreciation and to earn income.

8 Risk Factors

Investors are advised to read section 7 "Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund.

Investments in bonds and equities are subject to price fluctuations at all times.

The use of derivatives for investment purposes may have a substantial leverage effect magnifying gains but also having a magnification effect in case of loss.

The Sub-Fund’s investments may be subject to Sustainability Risks.

The Investment Manager’s integration of Sustainability Risks in the investment decision-making process is reflected in its ESG Investing and Advisory Policy. The Sub-Fund has recourse to external and/or internal ESG research and integrates financially material Sustainability Risks into its investment decision-making processes. More information on the ESG Investing and Advisory Policy, and how the policy is implemented in this Sub-Fund may be obtained from vontobel.com/SFDR.

The Sustainability Risks that the Sub-Fund may be subject to are likely to have a low 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.

Main methodological limits:
In assessing the eligibility of an issuer based on ESG research, there is a dependence upon information and data from third party ESG research data providers and internal analyses which may be based on certain assumptions or hypothesis that render it incomplete or inaccurate. As a result, there is a risk of inaccurately assessing a security or issuer. There is also a risk that the Investment Manager may not apply the relevant criteria of the ESG research correctly or that the Sub-Fund could have indirect exposure to issuers who do not meet the relevant criteria.

9 Risk Measurement Approach

The global exposure of the Sub-Fund is calculated using the absolute Value-at-Risk.

The global risk for the Sub-Fund will not at any time exceed 20% of the Sub-Fund's net assets.

The average leverage achieved over the course of the year, calculated as the sum of the notionals of all derivative instruments, is expected to be around 100% or less of the net assets of the Sub-Fund. However, the actual leverage achieved on average may be above or below this value. Although this value must be stated, it does not permit any meaningful inference to be drawn as to the risk generated by the leverage.

The Sub-Fund may, in accordance with its investment policy, invest in multiple asset classes with different risk profiles. Even investments in asset classes with low risk profiles may be leveraged in such a way that the outcome is a heightened risk profile.

10 Benchmark

The Sub-Fund is actively managed and is not managed with reference to a benchmark.

11 Historical performance

The performance for each share class of this Sub-Fund can be found in the respective KID. KIDs can be obtained from the registered office of the Fund and at vontobel.com/am.

2 Vontobel Fund II – Active Beta Opportunities

1 Reference currency
EUR

2 Investment Objective
Vontobel Fund II – Active Beta Opportunities (the “Sub-Fund”) aims to achieve a consistent absolute capital appreciation.

3 Promotion of environmental and social characteristics
The Sub-Fund promotes environmental and social characteristics within the meaning of Article 8 SFDR and invests in issuers that the Investment Manager considers well-prepared to handle financially material environmental and social challenges. Issuers will be selected based on the Investment Manager’s ESG framework. The ESG approach will be applied to the Sub-Fund's securities portfolio and target funds. For the avoidance of doubt, where the exposure to an asset class is built up via derivatives, a part or all of the securities portfolio may serve as collateral for such derivative transactions. Information on environmental and social characteristics is available in the Annex 2 “Environmental and/or social characteristics” to this Sub-Fund.

4 Investment Policy
While respecting the principle of risk diversification, the Sub-Fund shall build up an exposure to equity markets, to bond markets, to money markets, to currency markets, to commodity markets as well as to volatility.

This exposure to the above markets and asset classes can be achieved either directly by inter alia purchasing equities or equity-like instruments (such as participation certificates, depositary receipts, such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and European Depositary Receipts (EDRs), and including real estate equities and transferable securities issued by companies that qualify as closed-ended real estate investment trusts, which are listed on a Regulated Market or on one of the markets referred to in section 9 “Investment and Borrowing Restrictions” of the General Part), bonds, notes or similar fixed-interest or floating-rate securities and money market instruments or indirectly via derivatives, traded on exchanges or over-the-counter, or via other collective investment schemes, including exchange traded funds.

Exposure to commodities may be only indirect via eligible investment funds and derivatives whose underlyings are eligible indices or structured products.

The exposure of the Sub-Fund to the equity markets, the bond markets and commodity markets shall amount to at least 51% of the net assets of the Sub-Fund.

The Sub-Fund implements an investment strategy which aims to actively manage the exposure to market risk (so-called “beta risk”) of the asset classes equities, bonds, commodities, currencies and volatility over time. Risk premiums represent the long-term investor compensation from the assumption of beta risk in different asset classes. The actual realization of risk premiums fluctuates in the short-term. Through the use of active exposure management to beta risk, the Sub-Fund seeks to take advantage of opportunities arising from the variability of risk premia over time. The broad diversification across several identified risk premiums and the ability to position for rising as well as falling asset prices aim to participate in up markets and limit losses in down markets across cycles.

Based on a bond portfolio as a basic investment, the use of derivatives builds a dynamic exposure to the risk premiums of the mentioned asset classes with the aim of achieving a positive return. The Sub-Fund is permitted to have long and short exposure to an asset class and may also have no exposure to one or another asset class stipulated in the preceding sentences at any time. Exposure to commodities will be built up by using (i) one or more swaps on eligible commodity indices, and/or baskets of eligible commodity market indices, or structured products and/or (ii) eligible UCITS and/or other UCIs. Risk management is intended to limit a possible negative contribution from individual investments. Volatility and currency strategies shall only be traded through derivatives.

The weighting and consideration of investment policy criteria may vary and result in complete disregard or significant overvaluation of one or more criteria. The criteria are neither conclusive nor complete, so that in addition other criteria not mentioned here may be used, in particular to take into account future developments.

The Sub-Fund may hold bank deposits for liquidity management. The Sub-Fund may further hold up to 20% of its net assets in bank deposits at sight.

Up to 10% of the Sub-Funds’ net assets may be invested in eligible UCITS and/or other UCIs.

The Sub-Fund may enter into eligible derivative financial instruments as part of the investment strategy and to generate additional income, i.e. for speculative purposes.

These derivatives include, in particular, options, warrants, financial futures, forwards and swaps, as well as combinations thereof.

The derivatives may also be used for hedging purposes.

5 Total Return Swaps

The Sub-Fund may enter into one or more total return swaps (“TRS”) to gain exposure to asset classes as specified above. The use of TRS forms an important part of the investment approach of the Sub-Fund and may also be used for hedging purposes.

Types of underlyings to TRS may include equities, equity-like transferable securities, participation certificates, eligible financial indices or eligible structured products on commodities or volatility, bonds and money market instruments.

The Sub-Fund exposure to TRS expressed as the sum of notionals is expected to range between 0% to 160% of the net assets of the Sub-Fund. In cases where this range is exceeded, exposures should remain below 200%.

All revenues (less transaction costs) from TRS are accrued to the Sub-Fund.

6 Fees, expenses and commissions

The fees and expenses that may be charged to the Share Classes of the Sub-Fund are described in section 20 "Fees and expenses" of the General Part.

The Service Fee shall be charged to all the Share Classes and amount to maximum 1.0494% per annum of the net asset value of a share class.

The Subscription Fee, where applicable, may amount up to 5% of the net asset value per share, the Redemption Fee may amount up to 0.3% of the net asset value per share.

The applicable rates of Management Fee and taxe d’abonnement and the minimum subscription amount, if any, are stipulated in the share class table below.

ISIN	Share Class	Currency	Distr. Policy	Investor Type	Tax d'Abo	Min. subscr. (Sub-Fund currency	Launch date	Mgmt Fee Max	Performance Fee
LU2033388211	H (hedged)	CHF	accumulating	Retail	0.050%	-	3/13/2020	1.000%	No
LU2033388302	HI (hedged)	CHF	accumulating	Institutional	0.010%	-	3/13/2020	0.500%	No
LU2243985145	HR (hedged)	CHF	accumulating	Retail	0.050%	-	11/5/2020	0.500%	No
LU2265799820	HN (hedged)	CHF	accumulating	Retail	0.050%	-	12/10/2020	0.500%	No
LU2024691912	AI	EUR	distributing	Institutional	0.010%	-	3/6/2020	0.500%	No
LU2024692134	SA	EUR	distributing	Institutional	0.010%	-	3/6/2020	0.000%	No
LU2033387759	R	EUR	accumulating	Retail	0.050%	-	3/13/2020	0.600%	No
LU2033387833	A	EUR	distributing	Retail	0.050%	-	3/13/2020	1.000%	No
LU2033388054	B	EUR	accumulating	Retail	0.050%	-	3/13/2020	1.000%	No
LU2033388138	I	EUR	accumulating	Institutional	0.010%	-	3/13/2020	0.500%	No
LU2033388484	N	EUR	accumulating	Retail	0.050%	-	3/13/2020	0.500%	No
LU2033388724	S	EUR	accumulating	Institutional	0.010%	-	3/13/2020	0.000%	No
LU2033388567	HN (hedged)	GBP	accumulating	Retail	0.050%	-	3/13/2020	0.500%	No
LU2501581818	HI (hedged)	JPY	accumulating	Institutional	0.010%	-	7/28/2022	0.500%	No
LU2501581909	AHI (hedged)	JPY	distributing	Institutional	0.010%	-	7/28/2022	0.500%	No
LU2033388641	HI (hedged)	USD	accumulating	Institutional	0.010%	-	3/13/2020	0.500%	No

The exact amount of remuneration paid is provided in the semi-annual and annual report.

7 Subscription, Redemption and Conversion of Shares

By way of derogation from the provisions of sections 12 to 15 of the General Part, shares of the Sub-Fund may be purchased upon notice to the distributor or to the UCI Administrator on any Business Day (= the “Subscription Day”), unless the calculation of the NAV has been temporarily postponed or the subscription requests cannot be temporarily served in accordance with chapter 16 in the General Part. The Shares are purchased at the net asset value per Share of the relevant Class of Shares of the Sub-Fund plus any applicable Sales Charge. Investors must give notice to the UCI Administrator not later than 12:00 (noon) Luxembourg time on the Subscription Day (the cut-off time). The subscription price is calculated on the Valuation Date that is two Business Days following the Subscription Day and is based on the closing prices of the Business Day immediately following the Subscription Day. The subscription amount must be received by the Depositary on the next Business Day after the Valuation Date, at the latest.

Shares of the Sub-Fund may be redeemed upon notice to the distributor or to the UCI Administrator on any Redemption Day, unless the calculation of the NAV has been temporarily postponed or the redemption requests cannot be temporarily served in accordance with chapter 16 in the General Part. The Shares are redeemed at the net asset value per Share of the relevant Class of Shares of the Sub-Fund minus any applicable Redemption Fee.

Investors must give notice to the UCI Administrator not later than 12:00 (noon) Luxembourg time on the Redemption Day (the cut-off time). The redemption price is calculated on the Valuation Date that is two Business Days following the Redemption Day and is based on the closing prices of the Business Day immediately following the Redemption Day. The Fund intends to pay redemption proceeds on the next Business Day after the Valuation Date.

These provisions apply to the conversion of shares *mutatis mutandis.*

8 Typical investor profile

This Sub-Fund is aimed at private and institutional investors with a long-term investment horizon who wish to achieve a consistent absolute capital appreciation over the longer term.

9 Risk Factors

Investors are advised to read section 7 "Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund.

There can be no assurance that the objectives of the investment policy will be achieved. In particular, there can be no assurance that the investor will receive back all of the assets invested in the Sub-Fund.

Investments in bonds, equities and commodities are subject to price fluctuations at all times.

The fund has increased volatility due to its composition and investment policy, i.e. share prices may be subject to significant upward and downward fluctuations within a short period of time.

The use of derivatives for investment purposes may have a substantial leverage effect magnifying gains but also having a magnification effect in case of loss.

The Sub-Fund’s investments may be subject to Sustainability Risks.

The Investment Manager’s integration of Sustainability Risks in the investment decision-making process is reflected in its ESG Investing and Advisory Policy. The Sub-Fund has recourse to external and/or internal ESG research and integrates financially material Sustainability Risks into its investment decision-making processes. More information on the ESG Investing and Advisory Policy, and how the policy is implemented in this Sub-Fund may be obtained from vontobel.com/SFDR.

The Sustainability Risks that the Sub-Fund may be subject to are likely to have a low 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.

Main methodological limits:
In assessing the eligibility of an issuer based on ESG research, there is a dependence upon information and data from third party ESG research data providers and internal analyses which may be based on certain assumptions or hypothesis that render it incomplete or inaccurate. As a result, there is a risk of inaccurately assessing a security or issuer. There is also a risk that the Investment Manager may not apply the relevant criteria of the ESG research correctly or that the Sub-Fund could have indirect exposure to issuers who do not meet the relevant criteria.

10 Risk Measurement Approach

The Sub-Fund will apply the absolute value at risk method (absolute VaR) to determine the global risk entailed in its investments.

The average leverage achieved over the course of the year, calculated as the sum of the notionals of all derivative instruments, is expected to be around 400% or less of the net assets of the Sub-Fund. However, the actual leverage achieved on average may be above or below this value. Also, it is to be noted that the levels of leverage might vary quite significantly over time depending on market environment, where the Investment Manager may decide to increase the Sub-Fund's use of derivatives either to hedge market risks or benefit from investment opportunities. Although this value must be stated, it does not permit any meaningful inference to be drawn as to the risk generated by the leverage.

11 Benchmark

The Sub-Fund is actively managed and is not managed with reference to a benchmark.

12 Historical performance

The performance for each share class of this Sub-Fund can be found in the respective KID. KIDs can be obtained from the registered office of the Fund and at vontobel.com/am.

3 Vontobel Fund II – mtx Emerging Markets Sustainability Champions

1 Reference currency
USD

2 Investment Objective
Vontobel Fund II – mtx Emerging Markets Sustainability Champions (the “Sub-Fund”) aims to generate long-term capital growth in USD and has as sustainable investment objective to contribute towards the United Nations Sustainable Development Goals (UN SDGs) by investing in emerging market securities which the Investment Manager identifies as Sustainability Champions.

3 Sustainable Investment Objective
The Sub-Fund has a sustainable investment objective within the meaning of Article 9 SFDR. More information on the sustainable investment objective can be found in the Annex 3 “Sustainable Investment Objective” to this Sub-Fund.

4 Investment Policy
The starting investment universe is the Emerging Markets equity markets. “mtx” is the sustainable equities team of the Investment Manager.

While respecting the principle of risk diversification, the Sub-Fund invests at least 80% of its net assets in

– equities and equity-like transferable securities,
– participation certificates including, but not limited to depositary receipts, such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and European Depositary Receipts (EDRs), and including
– real estate equities and transferable securities issued by companies that qualify as closed-ended real estate investment trusts, which are listed or traded on a Regulated Market or on one of the markets referred to in section 9 “Investment and Borrowing Restrictions” of the General Part, and comparable instruments,

issued by or for companies that are based in or conduct the majority of their business in or are exposed to an emerging market, and which are identified as Sustainability Champions by the Investment Manager.

Sustainability Champions are companies that:

(i) contribute significantly to at least one of the UN SDGs as evaluated by the Investment Manager using its proprietary UN SDG evaluation framework; and
(ii) pass a detailed evaluation of their environment, social and governance (ESG) operational performance using the Investment Manager’s proprietary ESG framework; and
(iii) comply with the extensive exclusion criteria that the Investment Manager has set to avoid investments in certain economic activities that are harmful to society and environment.

Emerging markets in connection with this Sub-Fund are all countries considered as such by the World Bank, the International Finance Corporation or the United Nations or that are included in the MSCI Emerging Markets Index or the MSCI Frontier Markets (FM) Index. Irrespective of recognition by one of the abovementioned institutions, emerging markets also include: Brazil, Chile, China, Colombia, India, Indonesia, Malaysia, Mexico, Peru, the Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand, Turkey, Hong Kong, Argentina, Uruguay, Venezuela, Singapore, Sri Lanka, Hungary, Egypt, the Czech Republic, Romania, Israel.

The Sub-Fund may invest up to 35% of its net assets via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect in China A-Shares.

The Sub-Fund may invest in securities that are offered within the scope of initial public offerings within the limitations of section 9.1 (d) of the General Part.

The Sub-Fund may also hold up to 20% of its net assets in bank deposits at sight.

The Sub-Fund may further use derivative financial instruments, such as futures, options or forwards, for hedging purposes (incl. currency hedging).

The Sub-Fund may not use other collective investment schemes for the purpose of building up its exposure to the aforementioned investment universe.

5 Subscription, Redemption and Conversion of Shares
By way of derogation from the provisions of sections 12 to 15 of the General Part, the subscription applications validly received on any given Business Day by 14.45 Luxembourg time (cut-off, Subscription Day) shall be settled at the issue price calculated two Business Days after the Subscription Day. The payment of the subscription amount must be received by the Depositary within four Business Days following the Subscription Day.

These provisions apply to redemption and conversion applications *mutatis mutandis*.

6 Benchmark

The Sub-Fund is actively managed. Its Benchmark is the MSCI EM Index 10/40 USD TRN. It is used to compare the performance of the Sub-Fund. For the purpose of performance comparison for hedged share classes, the Benchmark in the reference currency of the Sub-Fund may be used.

The Investment Manager can, however, make investments for the Sub-Fund at its own discretion and the portfolio of the Sub-Fund is, therefore, likely to deviate significantly from the composition of the Benchmark.

The Benchmark has not been designated for the purpose of attaining the sustainable investment objective of the Sub-Fund.

7 Fees, expenses and commissions

The fees and expenses that may be charged to the Share Classes of the Sub-Fund are described in section 20 "Fees and expenses" of the General Part.

The Service Fee shall be charged to all the Share Classes and amount to maximum 1.0494% per annum of the net asset value of a share class.

The Subscription Fee, where applicable, may amount up to 5% of the net asset value per share, the Redemption Fee may amount up to 0.3% of the net asset value per share.

The applicable rates of Management Fee and taxe d'abonnement and the minimum subscription amount, if any, are stipulated in the share class table below.

ISIN	Share Class	Currency	Distr. Policy	Investor Type	Tax d'Abo	Min. subscr. (Sub-Fund currency	Launch date	Mgmt Fee Max	Performance Fee
LU2092419519	B	EUR	accumulating	Retail	0.050%	-	2/11/2020	1.650%	No
LU2648494032	C	EUR	accumulating	Retail	0.050%	-	7/27/2023	2.650%	No
LU2227302952	AN	GBP	distributing	Retail	0.050%	-	9/22/2020	0.825%	No
LU2581737322	NG	GBP	accumulating	Retail	0.050%	50,000,000	3/3/2023	0.825%	No
LU2092418891	B	USD	accumulating	Retail	0.050%	-	2/11/2020	1.650%	No
LU2056571420	I	USD	accumulating	Institutional	0.010%	-	2/11/2020	0.825%	No
LU2092418628	S	USD	accumulating	Institutional	0.010%	-	2/11/2020	0.000%	No
LU2206997491	AG	USD	distributing	Institutional	0.010%	50,000,000	7/22/2020	0.825%	No
LU2648493810	C	USD	accumulating	Retail	0.050%	-	7/27/2023	2.650%	No

The exact amount of remuneration paid is provided in the semi-annual and annual report.

8 Typical investor profile

This Sub-Fund is aimed at private and institutional investors with a long-term investment horizon, who wish to invest sustainably in a broadly diversified portfolio of shares and to achieve a reasonable investment return and high capital gains, while being aware of the associated price fluctuations.

9 Risk factors

Investors are advised to read section 7 "Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund. Please refer to the details below for information on risks that investments in this Sub-Fund may entail:

- Investments may be made in countries where the local stock exchanges may not yet qualify as recognized stock exchanges within the meaning of the investment restrictions set out in this Sales Prospectus;
- Accordingly, pursuant to the investment and borrowing restrictions defined in section 9 of the General Part, investments in securities listed on stock exchanges which do not qualify as recognized exchanges or markets and other non-listed investments may not exceed 10% of the net assets of each of these Sub-Funds;
- This Sub-Fund's investments may be subject to a higher degree of risk. The stock markets and the economies of emerging markets are generally volatile. This Sub-Fund's investments in certain emerging markets may also be adversely affected by political developments and/or changes in local laws, taxes and exchange controls. Finally, in some countries, it is difficult to clearly identify what conditions of ownership apply to certain companies as a result of ongoing privatization processes;
- The procedures for settling securities transactions are associated with higher risks in the emerging markets than in developed markets. These higher risks are partly due to the fact that the Sub-Fund must use brokers and counterparties which do not have a very high level of capitalization, and the safekeeping of assets may in some countries be undependable, so that upon subscription or redemption, Fund shares may be worth less, or more, than at the time they were created.
- Investments in equities are subject to price fluctuations at all times. Investments in foreign currencies are also subject to currency fluctuations.
- The Sub-Funds' sustainability investment process is expected to have a mitigating effect on Sustainability Risks and thereby is likely to reduce the overall risk profile of the Sub-Fund while seeking to improve its risk-adjusted returns.

- The Sub-Fund follows a sustainability strategy and applies minimum exclusion criteria and certain internal ESG rating assessments, supported by external ESG rating assessments, which may affect the Sub-Funds investment performance positively or negatively since the execution of the sustainability strategy may result in foregoing opportunities to buy certain securities, and/or selling securities due to their ESG-related characteristics.

Main methodological limits:
In assessing the eligibility of an issuer based on sustainability research, there is a dependence upon information and data from third party ESG data providers and internal analyses which may be based on certain assumptions or hypothesis that render it incomplete or inaccurate. As a result, there exists a risk of inaccurately assessing a security or issuer. There is also a risk that the Investment Manager may not apply the relevant criteria of the sustainability research correctly or that the Sub-Fund could have indirect exposure to issuers who do not meet the relevant criteria.

10 Risk Measurement Approach

The global risk resulting from the Sub-Fund's investments is determined using the commitment approach.

11 Historical performance

The performance for each Share Class of this Sub-Fund can be found in the respective KID. KIDs can be obtained from the registered office of the Fund and at vontobel.com/am.

12 Exercise of membership rights

The Management Company engages voting agencies in the exercise of membership rights, which are specialized in the exercise of such rights, in particular by providing voting recommendations and engaging with some investee companies via constructive, objectives-driven and continuous dialogue on ESG issues.

The voting agent(s) will receive fees for their services that are estimated at approximately 0.05% per annum of the net assets of the Sub-Fund and will be borne by the Sub-Fund. Depending on the extent of the activities of the voting agent(s), the actual fees charged to the Sub-Fund in a financial year may be above or below the estimated amount.

4 Vontobel Fund II – Duff & Phelps Global Listed Infrastructure

1 Reference currency
USD

2 Promotion of environmental and social characteristics
The Sub-Fund promotes environmental and social characteristics within the meaning of Article 8 SFDR and invests in issuers that the Investment Manager considers well-prepared to handle financially material environmental and social challenges. Information on environmental and social characteristics is available in the Annex 4 “Environmental and/or social characteristics” to this Sub-Fund.

3 Investment objective and policy
Vontobel Fund II – Duff & Phelps Global Listed Infrastructure (the Sub-Fund) aims to achieve an attractive capital growth in USD.

While respecting the principle of risk diversification, the Sub-Fund's assets are exposed to the global infrastructure sector by *i.a.* mainly investing in equities, equity-like transferable securities, including depositary receipts, such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and European Depositary Receipts (EDRs) and including transferable securities issued by infrastructure companies and companies that qualify as closed-ended real estate investment trusts, which are listed on a Regulated Market or on one of the markets referred to in section 9 “Investment and Borrowing Restrictions” of the General Part and which are involved in telecommunication services, utilities, transportation, and energy industries, as well as participation certificates, etc. issued by companies worldwide. Benchmark index for the Sub-Fund is the FTSE Developed Core Infrastructure 50/50 Index. Where the Investment Manager selects securities for the Sub-Fund from this index, it has a high degree of freedom in their weighting in the portfolio of the Sub-Fund as compared to their weighting in the index. The Investment Manager also selects securities for the Sub-Fund that are not in this index, provided they otherwise are in the aforementioned investment universe.

The Investment Manager applies a screen for trading liquidity and market capitalization considerations. The outcome of such modelling is a sub-pool of companies which are considered potentially eligible for investments, so called ‘Global Listed Infrastructure Investable Universe’. Evaluation according to Sustainability Factors is conducted on the Investable Universe.

Up to 33% of the Sub-Fund's assets may be exposed to eligible asset classes or eligible financial instruments outside the aforementioned investment universe, in particular to the fixed-income asset class and money market instruments and bank deposits for liquidity management.

The Sub-Fund may also hold up to 20% of its net assets in bank deposits at sight.

The Sub-Fund may also use derivative financial instruments such as currency forwards for hedging purposes.

The Sub-Fund may not use other collective investment schemes for the purpose of building up its exposure to the aforementioned investment universe.

4 Subscription, redemption and conversion of shares
By way of derogation from the provisions of sections 12 to 15 of the General Part, the subscription/redemption/conversion applications validly received on any given Business Day by 15.45 Luxembourg time (cut-off; Subscription Day) shall be settled at the subscription /redemption/conversion price calculated on the next Business Day based on the closing prices of the Subscription Day. The payment of the subscription/conversion amount must be received by the Depositary within two (2) Business Days following the corresponding Subscription Day. The payment of redemption proceeds shall normally be made within two (2) Business Days following the corresponding Redemption Day.

5 Fees, expenses and commissions
The fees and expenses that may be charged to the Share Classes of the Sub-Fund are described in section 20 "Fees and expenses" of the General Part.

The Service Fee shall be charged to all the Share Classes and amount to maximum 1.0494% per annum of the net asset value of a share class.

The Subscription Fee, where applicable, may amount up to 5% of the net asset value per share, the Redemption Fee may amount up to 0.3% of the net asset value per share.

The applicable rates of Management Fee and taxe d’abonnement and the minimum subscription amount, if any, are stipulated in the share class table below.

ISIN	Share Class	Currency	Distr. Policy	Investor Type	Tax d'Abo	Min. subscr. (Sub-Fund currency	Launch date	Mgmt Fee Max	Performance Fee
LU2227303091	HN (hedged)	CHF	accumulating	Retail	0.050%	-	9/22/2020	0.825%	No
LU2227303174	H (hedged)	CHF	accumulating	Retail	0.050%	-	9/22/2020	1.650%	No
LU2261202977	B	EUR	accumulating	Retail	0.050%	-	11/27/2020	1.650%	No
LU2386637255	I	EUR	accumulating	Institutional	0.010%	-	10/4/2021	0.825%	No
LU2167912745	I	USD	accumulating	Institutional	0.010%	-	7/6/2020	0.825%	No
LU2167912828	S	USD	accumulating	Institutional	0.010%	-	7/6/2020	0.000%	No
LU2167913040	N	USD	accumulating	Retail	0.050%	-	7/6/2020	1.250%	No
LU2167913123	B	USD	accumulating	Retail	0.050%	-	7/6/2020	1.650%	No

The exact amount of remuneration paid is disclosed in the semi-annual and annual report.

6 Typical investor profile

This Sub-Fund is aimed at private and institutional investors with a long-term investment horizon, who wish to invest in a broadly diversified portfolio of shares issued by companies engaged in the infrastructure industry and with the potential to achieve a reasonable investment return and high capital gains, while being aware of the associated price fluctuations.

7 Risk factors

Investors are advised to read section 7 "Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund.

Investments in equities are subject to price fluctuations at all times.

Investments in companies engaged in the infrastructure industry are exposed to the risk of the monopoly of the public sector in this area which, as a rule, is the sponsor of most infrastructure projects. This virtually monopolistic position of the public sector translates into a number of dependencies of infrastructure companies from the public sector: fiscal (spending) policy of the government, openness and fairness of the tendering processes and protection of infrastructure companies against unfair competition practices, market and price setting powers of the monopolist, to name some of them. The infrastructure industry, normally, has high entry and exit barriers. High entry barriers mean that a company has to amortize initial investment before becoming profitable and high exit barriers may result in a company continuing to operate without being profitable for a longer period of time than it would be the case for a company operating in an industry with lower exit barriers. Furthermore, the performance of such stocks is, normally, positively correlated with the growth of (real) economy. That is, the stocks perform well during periods of an economic upswing and perform poorly during an economic slowdown and recession.

The investors should further bear in mind that a significant portion of the portfolio may be invested in securities from a particular industry.

Investments in foreign currencies are also subject to currency fluctuations.

The Sub-Fund’s investments may be subject to Sustainability Risks.

The Investment manager’s integration of Sustainability Risks in the investment decision-making process is reflected in its sustainable investment approach. The Sub-Fund has recourse to internal and/or external ESG research and integrates financially material Sustainability Risks into its investment decision-making processes. More information on how the sustainable investment policy is implemented in this Sub-Fund may be obtained from vontobel.com/SFDR.

The Sustainability Risks that the Sub-Fund may be subject to are likely to have a low impact on the value of the Sub-Fund’s investments over the longer term due to the mitigating nature of the Sub-Fund’s investment policy.

The Sub-Fund follows a sustainability strategy that applies minimum exclusion criteria and certain internal ESG rating assessments, supported by external ESG rating assessments, which may affect the Sub-Fund’s investment performance positively or negatively since the execution of the ESG strategy may result in foregoing opportunities to buy certain securities, and/or selling securities due to their ESG-related characteristics.

Main methodological limits:
In assessing the eligibility of an issuer based on ESG research, there is a dependence upon information and data from third-party ESG research data providers and internal analyses which may be based on certain assumptions or hypotheses that render it incomplete or inaccurate. As a result, there exists a risk of incorrectly assessing a security or issuer. There is also a risk that the Investment Manager may not apply the relevant criteria of the ESG research correctly, or that the Sub-Fund could have indirect exposure to issuers who do not meet the relevant criteria.

8 Risk Measurement Approach

The global risk resulting from the Sub-Fund's investments is determined using the commitment approach.

9 Benchmark

The Sub-Fund is actively managed. Its Benchmark is FTSE Developed Core Infrastructure 50/50 Index. It is also used to compare the performance of the Sub-Fund. For the purpose of performance comparison for hedged share classes, the benchmark in the reference currency of the Sub-Fund may be used.

The portfolio manager can, however, make investments for the Sub-Fund at his or her own discretion and the portfolio of the Sub-Fund is, therefore, likely to deviate significantly from the composition of the benchmark.

The benchmark is not consistent with the environmental or social characteristics promoted by the Sub-Fund.

10 Historical performance

The performance for each Share Class of this Sub-Fund can be found in the respective KID. KIDs can be obtained from the registered office of the Fund and at vontobel.com/am.

5 Vontobel Fund II – Megatrends

1 Reference currency

USD

2 Promotion of environmental and/or social characteristics

The Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 SFDR and invests in issuers that the Investment Manager considers well-prepared to handle financially material environmental and social challenges. Issuers will be selected based on the Investment Manager's ESG framework. Information on environmental and/or social characteristics is available in the Annex 5 "Environmental and/or social characteristics" to this Sub-Fund.

3 Investment objective

The investment objective of Vontobel Fund II –Megatrends (the "Sub-Fund") is long-term capital appreciation aiming at achieving superior risk-adjusted returns.

4 Investment policy

While respecting the principle of risk diversification, the Sub-Fund's assets are mainly exposed to the worldwide equity markets. This exposure can be achieved inter alia directly by purchasing equities, equity-like transferable securities, participation certificates including depositary receipts, such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and European Depositary Receipts (EDRs), etc. issued by or for companies worldwide that might benefit from megatrends.

The selection and weighting of assets is mainly based on qualitative and quantitative criteria for different megatrends.

Megatrends are long-term developments that are shaping or will shape society and the economy. In the medium to long term, humanity is expected to face some fundamental changes which might shape global economic development and could provide opportunities for innovation. Demographics (e.g. ageing societies, changing consumer behavior, growing urbanization) might require new technical solutions and innovations in such areas as infrastructure and nutrition, as well as a rethink about how work is organized. Demographic change could also mean a reorientation of people's leisure habits, as well as opportunities in the health and consumer sector, brought about by the evolving age structure of societies. At the same time, it is considered as important to keep an eye on new forward-looking industries, especially in the areas of artificial intelligence, robotics, the Internet of Things, and digitization. These megatrends not only represent considerable challenges, but also provide significant opportunities.

The Sub-Fund may invest via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect in China A-Shares.

Up to 10% of the Sub-Fund's assets are further permitted to be exposed to real estate. Exposure to real estate may only be indirect via (i) equities of companies that themselves invest in or manage real estate or (ii) closed-end Real Estate Investment Trusts (REITs) or Real Estate Investment Companies (REICs) whose securities are transferable securities in the sense of section 9.1 "Financial instruments used by individual Sub-Funds" of the General part.

The Sub-Fund may invest in securities that are offered within the scope of initial public offerings within the limitations of section 9.1 (d) of the General Part of the Sales Prospectus.

The Sub-Fund may not use other collective investment schemes for the purpose of building up its exposure to the aforementioned investment universe.

The Sub-Fund may invest in bank deposits for liquidity management.

The Sub-Fund may also hold up to 20% of its net assets in bank deposits at sight.

5 Use of derivatives

The Sub-Fund may also use derivative financial instruments such as currency forwards, futures, options and warrants for hedging purposes.

6 Subscription, redemption and conversion of shares

By way of derogation from the provisions of sections 12 to 15 of the General Part, the subscription/ redemption/conversion applications for the Sub-Fund on any one transaction day (T) shall be settled at the subscription /redemption/conversion price calculated on the next Valuation Day (T+1). The payment of the subscription /conversion amount must be received by the Depositary within two (2) Business Days following the corresponding transaction date, or within one (1) Business Day following the corresponding valuation date (T+2). The payment of redemption proceeds shall normally be made within two (2) Business Days following the corresponding transaction date, or one (1) Business Day following the corresponding valuation date (T+2).

7 Fees, expenses and commissions

The fees and expenses that may be charged to the Share Classes of the Sub-Fund are described in section 20 "Fees and expenses" of the General Part.

The Service Fee shall be charged to all the Share Classes and amount to maximum 1.0494% per annum of the net asset value of a share class.

The Subscription Fee may amount up to 5% of the net asset value per share, the Redemption Fee may amount up to 0.3% of the net asset value per share.

The applicable rates of Management Fee and taxe d'abonnement and the minimum subscription amount, if any, are stipulated in the share class table below.

ISIN	Share Class	Currency	Distr. Policy	Investor Type	Tax d'Abo	Min. subscr. (Sub-Fund currency	Launch date	Mgmt Fee Max	Performance Fee
LU2275723968	N	CHF	accumulating	Retail	0.050%	-	6/7/2021	1.250%	No
LU2307553458	H (hedged)	CHF	accumulating	Retail	0.050%	-	6/14/2021	2.000%	No
LU2275724347	HR (hedged)	CHF	accumulating	Retail	0.050%	-	6/14/2021	2.000%	No
LU2275724008	N	EUR	accumulating	Retail	0.050%	-	6/7/2021	1.250%	No
LU2307552567	H (hedged)	EUR	accumulating	Retail	0.050%	-	6/14/2021	2.000%	No
LU2275724180	R	USD	accumulating	Retail	0.050%	-	6/7/2021	2.000%	No
LU2275723885	N	USD	accumulating	Retail	0.050%	-	6/7/2021	1.250%	No
LU2275724420	V	USD	accumulating	Institutional	0.010%	-	6/7/2021	1.650%	No
LU2275723612	B	USD	accumulating	Retail	0.050%	-	6/14/2021	2.000%	No
LU2275723703	I	USD	accumulating	Institutional	0.010%	-	6/14/2021	1.250%	No
LU2394045962	AI	USD	distributing	Institutional	0.010%	-	10/28/2021	1.250%	No
LU2521693429	G	USD	accumulating	Institutional	0.010%	50,000,000	9/7/2022	0.825%	No
LU2521693692	AG	USD	distributing	Institutional	0.010%	50,000,000	9/7/2022	0.825%	No

The exact amount of remuneration paid is disclosed in the semi-annual and annual report.

8 Typical investor profile

Given the investment objective and policy, the Sub-Fund is only appropriate for investors who seek capital appreciation over the long term and can withstand the volatility of the Sub-Fund. Thus, this Sub-Fund may not be appropriate for investors, who plan to withdraw their money within 5 years. The detailed risk considerations in the main part of the Sales Prospectus should be read before investing in this Sub-Fund.

9 Risk factors

Investors are advised to read section 7 "Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund.

Investments in bonds and equities are subject to price fluctuations at all times. Investments in foreign currencies are also subject to currency fluctuations.

The Sub-Fund's investments may be subject to Sustainability Risks.

The Investment Manager's integration of Sustainability Risks in the investment decision-making process is reflected in its ESG Investing and Advisory Policy. The Sub-Fund has recourse to both internal and external ESG research and integrates financially material Sustainability Risks into its investment decision-making processes. More information on the ESG Investing and Advisory Policy, and on how the policy is implemented in this Sub-Fund may be obtained from vontobel.com/SFDR.

The Sustainability Risks that the Sub-Fund may be subject to are likely to have a low impact on the value of the Sub-Funds' investments in the medium to long term due to the mitigating nature of the Sub-Funds' ESG approach.

Main methodological limits:
In assessing the eligibility of an issuer based on ESG research, there is a dependence upon information and data from third party ESG research data providers and internal analyses which may be based on certain assumptions or hypothesis that render it incomplete or inaccurate. As a result, there is a risk of inaccurately assessing a security or issuer. There is also a risk that the Investment Manager may not apply the relevant criteria of the ESG research correctly or that the Sub-Fund could have indirect exposure to issuers who do not meet the relevant criteria.

10 Risk Measurement Approach

The global risk resulting from the Sub-Fund's investments is determined using the commitment approach.

11 Benchmark

The Sub-Fund is actively managed. Its Benchmark is the MSCI All Country World Index TR net. It is used to compare the performance of the Sub-Fund. For the purpose of performance comparison for hedged share classes, the Benchmark in the reference currency of the Sub-Fund may be used.

The portfolio manager can, however, make investments for the Sub-Fund at his or her own discretion and the portfolio of the Sub-Fund is, therefore, likely to deviate significantly from the composition of the Benchmark.

The Benchmark is not consistent with the environmental or social characteristics promoted by the Sub-Fund.

12 Historical performance

The performance for each Share Class of this Sub-Fund can be found in the respective KID. KIDs can be obtained from the registered office of the Fund and at vontobel.com/am.

6 Vontobel Fund II – mtx China A-Shares Leaders

1 Reference currency
USD

2 Investment objective
Vontobel Fund II – mtx China A-Shares Leaders (the “Sub-Fund”) aims to provide long-term capital growth by being exposed to China A-Shares.

3 Investment policy
While respecting the principle of risk diversification, the assets of the actively managed Sub-Fund are mainly exposed to equities, equity-like transferable securities, dividend rights certificates, participation certificates and including real estate equities and transferable securities issued by companies that qualify as closed-ended real estate investment trusts, which are listed on a Regulated Market or on one of the markets referred to in section 9 “Investment and Borrowing Restrictions” of the General Part, etc. that qualify as or are linked to China A-Shares.

The Sub-Fund may invest in securities that are offered within the scope of initial public offerings within the limitations of section 9.1 (d) of the General Part of the Sales Prospectus.

The Sub-Fund may invest in China A-Shares through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect.

Based on systematic filtering of the eligible investment universe, the Investment Manager seeks to identify market-leading companies by analyzing fundamental data of the companies, such as return on invested capital, and their market position. Companies that provide the best outcome after the completion of the above described stock selection process (“Leaders”) represent the investment pool for the Sub-Fund.

Up to 33% of the Sub-Fund's assets may be exposed to asset classes and instruments outside the aforementioned investment universe, in particular other equity markets than China-A Shares, the fixed-income asset class and money market instruments and bank deposits for liquidity management.

The exposure to the above asset classes may also be achieved indirectly via UCITS and/or other UCIs, including exchange traded funds, as well as via derivatives, traded on exchange or over-the-counter. The exposure achieved via eligible UCITS and/or other UCIs may amount to a maximum of 10% of the Sub-Fund's net assets.

The Sub-Fund may also hold up to 20% of its net assets in bank deposits at sight.

The Sub-Fund may also use derivative financial instruments such as (currency) forwards and futures for hedging purposes.

4 Subscription, Redemption and Conversion of Shares
By way of derogation from the provisions of sections 12 to 15 of the General Part, the subscription applications validly received on any given Business Day by 14.45 Luxembourg time (cut-off, Subscription Day) shall be settled based on the subscription price per share applied for the Subscription Day which is calculated one (1) Business Day after the Subscription Day based on the Asian securities closing prices of that same day, the Valuation Day. The net asset value calculated on a Valuation Day is published with the date of the Valuation Day.The shares are issued for the Subscription Day and valued as of the Valuation Day.

The payment of the subscription amount must be received by the Depositary within two Business Days following the Subscription Day.

These provisions apply to redemption and conversion applications *mutatis mutandis*.

5 Fees, expenses and commissions
The fees and expenses that may be charged to the Share Classes of the Sub-Fund are described in section 20 "Fees and expenses" of the General Part.

The Service Fee shall be charged to all the Share Classes and amount to maximum 1.0494% per annum of the net asset value of a share class.

The Subscription Fee, where applicable, may amount up to 5% of the net asset value per share, the Redemption Fee may amount up to 0.3% of the net asset value per share.

The applicable rates of Management Fee and taxe d’abonnement and the minimum subscription amount, if any, are stipulated in the share class table below.

ISIN	Share Class	Currency	Distr. Policy	Investor Type	Tax d'Abo	Min. subscr. (Sub-Fund currency	Launch date	Mgmt Fee Max	Performance Fee
LU2262960854	HR (hedged)	CHF	accumulating	Retail	0.050%	-	5/31/2021	2.000%	No
LU2262960698	N	GBP	accumulating	Retail	0.050%	-	5/31/2021	1.500%	No
LU2262960003	C	USD	accumulating	Retail	0.050%	-	5/31/2021	3.000%	No
LU2262960771	G	USD	accumulating	Institutional	0.010%	50,000,000	5/31/2021	1.000%	No
LU2262960268	R	USD	accumulating	Retail	0.050%	-	5/31/2021	2.000%	No
LU2262959922	B	USD	accumulating	Retail	0.050%	-	5/31/2021	2.000%	No
LU2262959849	A	USD	distributing	Retail	0.050%	-	5/31/2021	2.000%	No
LU2262960185	I	USD	accumulating	Institutional	0.010%	-	5/31/2021	1.000%	No
LU2262960342	N	USD	accumulating	Retail	0.050%	-	5/31/2021	1.500%	No
LU2262960425	AN	USD	distributing	Retail	0.050%	-	5/31/2021	1.500%	No

The exact amount of remuneration paid is provided in the semi-annual and annual report.

6 Benchmark

The Sub-Fund is actively managed. Its Benchmark is the MSCI China A Onshore TR net. It is used to compare the performance of the Sub-Fund. For the purpose of performance comparison for hedged share classes, the Benchmark in the reference currency of the Sub-Fund may be used.

The portfolio manager can, however, make investments for the Sub-Fund at his or her own discretion and the portfolio of the Sub-Fund is, therefore, likely to deviate significantly from the composition of the Benchmark.

7 Typical investor profile

This Sub-Fund is aimed at private and institutional investors with a long-term investment horizon, who wish to invest in a broadly diversified portfolio of shares and to achieve long-term capital growth, while being aware of the associated price fluctuations.

8 Risk factors

Investors are advised to read section 7 "Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund. Please refer to the details below for information on risks that investments in this Sub-Fund may entail:

- Investments may be made in countries where the local stock exchanges may not yet qualify as recognized stock exchanges within the meaning of the investment restrictions set out in this Sales Prospectus;
- Accordingly, pursuant to the investment and borrowing restrictions defined in section 9 of the General Part, investments in securities listed on stock exchanges which do not qualify as recognized exchanges or markets and other non-listed investments may not exceed 10% of the net assets of each of these Sub-Funds;
- Investments in equities are subject to price fluctuations at all times. Investments in foreign currencies are also subject to currency fluctuations;
- This Sub-Fund's investments may be subject to a higher degree of risk. The stock markets and the economies of emerging markets are generally volatile. This Sub-Fund's investments in certain emerging markets may also be adversely affected by political developments and/or changes in local laws, taxes and exchange controls. Finally, in some countries, it is difficult to clearly identify what conditions of ownership apply to certain companies as a result of ongoing privatization processes;
- The procedures for settling securities transactions are associated with higher risks in the emerging markets than in developed markets. These higher risks are partly due to the fact that the Sub-Fund must use brokers and counterparties which do not have a very high level of capitalization, and the safekeeping of assets may in some countries be undependable, so that upon subscription or redemption, Sub-Fund shares may be worth less, or more, than at the time they were created.
- The Sub-Fund’s investments may be subject to Sustainability Risks.

  The Investment Manager’s integration of Sustainability Risks in the investment decision-making process is reflected in its ESG Investing and Advisory Policy. The Sub-Fund has recourse to both internal and external ESG research and integrates financially material Sustainability Risks into its investment decision-making processes with the aim of improving the long-term risk-return characteristics of the Sub-Fund’s portfolio. The Sub-Fund’s ESG approach consists of detailed, systematic qualitative and quantitative analysis of a potential investee’s Sustainability Risks by the Sub-Fund’s sustainability and financial analysts using a proprietary ESG assessment framework. In addition, a number of minimum sustainability safeguards, voting and engagement strategies, and economic activity based exclusions are employed. The Sub-Funds’ ESG approach is expected to have a mitigating effect on Sustainability Risks, reducing the overall risk profile of the Sub-Fund while seeking to improve its risk-adjusted returns.

  More information about the sustainable investment policy, and the ESG approach of the Sub-Fund may be obtained from vontobel.com/SFDR.

  The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

9 Risk Measurement Approach

The global risk resulting from the Sub-Fund's investments is determined using the commitment approach.

10 Historical performance

The performance for each Share Class of this Sub-Fund can be found in the respective KID. KIDs can be obtained from the registered office of the Fund and at vontobel.com/am.

11 Exercise of membership rights

The Management Company engages voting agencies in the exercise of membership rights, which are specialized in the exercise of such rights, in particular by providing voting recommendations and engaging with some investee companies via constructive, objectives-driven and continuous dialogue on ESG issues.

The voting agent(s) will receive fees for their services that are estimated at approximately 0.05% per annum of the net assets of the Sub-Fund and will be borne by the Sub-Fund. Depending on the extent of the activities of the voting agent(s), the actual fees charged to the Sub-Fund in a financial year may be above or below the estimated amount.

7 Vontobel Fund II – Fixed Maturity Emerging Markets Bond 2026

1 Reference currency
USD

2 Investment objective and policy
Vontobel Fund II – Fixed Maturity Emerging Markets Bond 2026 (the Sub-Fund) aims to achieve good investment returns in USD.

The Sub-Fund has a limited duration and will be terminated on 30 October 2026 (the "Maturity"). The Maturity may be extended by the Board of Directors at the discretion of the Board of Directors, notably to effect an orderly liquidation. In such a case, the Board of Directors will write to the investors to inform them of the extension of the Maturity and of the options available to them. Investors should be prepared to remain invested until the Sub-Fund expires.

The subscription period prior to the launch of the Sub-Fund started on 6th September 2021 and ended on 9th November 2021. After this period, no further subscriptions will be allowed unless the Board of Directors decides otherwise. However, redemptions are possible at any time.

While respecting the principle of risk diversification, the Sub-Fund's assets are primarily exposed to the fixed-income asset class by amongst others purchasing bonds, notes and similar fixed-interest rate and floating-rate securities, including distressed securities, convertibles and contingent convertibles as well as asset- and mortgage-backed securities, warrant bonds, denominated in hard currencies, as defined below, and issued or guaranteed by corporate or government, government-related and supranational issuers domiciled in, having their business activity in or exposed to emerging markets. Investment instruments do not have necessarily to have any or any specific rating of a rating agency. The investments shall be made in a broad range of rating categories, including the high yield sector and distressed securities. The exposure to the high yield sector of the fixed-income asset class may be established up to 30% of the Sub-Fund's net assets.

In addition, the Sub-Fund may be exposed to contingent convertible bonds (so-called CoCo Bonds) up to 20% of its net assets.

Further, the Sub-Fund may build up an exposure to non-rated securities up to 30% of its net assets.

A maximum of 25% of the Sub-Fund's net assets may be exposed to convertible bonds and warrant bonds.

Exposure to distressed securities (i.e. securities that are typically rated with a Standard & Poor's rating below CCC- (or an equivalent rating from another rating agency)) may not exceed 10% of the Sub-Fund's net assets.

The exposure to asset-backed and mortgage-backed securities may not exceed 20% of the Sub-Fund's net assets.

"Hard currency" means currencies of economically developed and politically stable countries that are OECD members. Emerging markets in connection with this Sub-Fund are all countries other than Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Monaco, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

Up to 33% of the Sub-Fund's net assets may be exposed to asset classes or instruments outside the aforementioned investment universe, including fixed-interest rate and floating-rate securities issued or guaranteed by corporate or government, government-related and supra-national issuers domiciled in, having their business activity in or exposed to developed markets, money market instruments and bank deposits for liquidity management, and equities. Equities are only eligible as a result of a conversion event for convertible bonds or CoCo Bonds.

The Sub-Fund may also hold up to 20% of its net assets in bank deposits at sight.

Although the Investment Manager will seek to match the expected maturity date of the investments with the Maturity of the Sub-Fund, the maturity date of some investments may occur before or after the Maturity of the Sub-Fund. The maturity dates of the investments will not extend before and beyond the Maturity for more than +/- 1.5 years. Up to 10% of the Sub-Fund's net assets may deviate from the rule set forth in the preceding sentence. Although it is intended that the Sub-Fund will hold the investments until their respective maturity date, the Investment Manager has full discretion to sell the investments or fully reposition the portfolio prior to their maturity date.

During the 6 months prior to Maturity, the Investment Manager will seek to consolidate the portfolio and to prepare payment of the proceeds to the investors at the Maturity. To do so, the Sub-Fund may take exposure of up to 100% in money market instruments and hold cash. During the 2 months prior to the Maturity, the Sub-Fund may hold more than 20% of its net assets in bank deposits at sight.

Currency or credit risk may be actively managed by increasing or decreasing currency or credit exposure through the use of derivative financial instruments. Furthermore, interest rate risk may be actively managed by increasing or decreasing interest rate sensitivity (duration) through the use of financial derivative instruments.

The exposure to the above asset classes may be established also indirectly via financial derivative instruments, traded on exchange or over-the-counter, as well as via eligible UCITS and/or other UCIs, including exchange traded funds.

The exposure achieved via eligible UCITS and/or other UCIs may amount to a maximum of 10% of the Sub-Fund's net assets and may include undertakings for collective investment managed by a company belonging to the Vontobel Group.

The derivative financial instruments may include, but are not limited to forwards and futures, in particular foreign exchange forwards and futures, options and swaps, in particular credit default swaps and interest rate swaps.

The derivatives may also be used for the purposes of hedging.

3 Single swing pricing

The Sub-Fund is subject to single swing pricing and may apply a Single Swing Pricing Factor of up to 3% of the net asset value.

4 Fees, expenses and commissions

The fees and expenses that may be charged to the Share Classes of the Sub-Fund are described in section 20 "Fees and expenses" of the General Part.

The Service Fee shall be charged to all the Share Classes and amount to maximum 1.0494% per annum of the net asset value of a share class.

The Subscription Fee may amount up to 5% of the net asset value per share, the Redemption Fee may amount up to 0.3% of the net asset value per share and the Conversion Fee may amount up to 1% of the net asset value per share.

The applicable rates of Management Fee and taxe d'abonnement and the minimum subscription amount, if any, are stipulated in the share class table below.

ISIN	Share Class	Currency	Distr. Policy	Investor Type	Tax d'Abo	Min. subscr. (Sub-Fund currency	Launch date	Mgmt Fee Max	Performance Fee
LU2365110738	HI (hedged)	CHF	accumulating	Institutional	0.010%	-	11/9/2021	0.550%	No
LU2365111033	AHI (hedged)	CHF	distributing	Institutional	0.010%	-	11/9/2021	0.550%	No
LU2365111462	H (hedged)	CHF	accumulating	Retail	0.050%	-	11/9/2021	1.100%	No
LU2365111892	AH (hedged)	CHF	distributing	Retail	0.050%	-	11/9/2021	1.100%	No
LU2365112353	HN (hedged)	CHF	accumulating	Retail	0.050%	-	11/9/2021	0.825%	No
LU2365112601	AHN (hedged)	CHF	distributing	Retail	0.050%	-	11/9/2021	0.825%	No
LU2365112866	HR (hedged)	CHF	accumulating	Retail	0.050%	-	11/9/2021	1.100%	No
LU2365110654	HI (hedged)	EUR	accumulating	Institutional	0.010%	-	11/9/2021	0.550%	No
LU2365110902	AHI (hedged)	EUR	distributing	Institutional	0.010%	-	11/9/2021	0.550%	No
LU2365111389	H (hedged)	EUR	accumulating	Retail	0.050%	-	11/9/2021	1.100%	No
LU2365111629	AH (hedged)	EUR	distributing	Retail	0.050%	-	11/9/2021	1.100%	No
LU2365112270	HN (hedged)	EUR	accumulating	Retail	0.050%	-	11/9/2021	0.825%	No
LU2365112510	AHN (hedged)	EUR	distributing	Retail	0.050%	-	11/9/2021	0.825%	No
LU2365110571	I	USD	accumulating	Institutional	0.010%	-	11/9/2021	0.550%	No
LU2365110811	AI	USD	distributing	Institutional	0.010%	-	11/9/2021	0.550%	No
LU2365111116	B	USD	accumulating	Retail	0.050%	-	11/9/2021	1.100%	No
LU2365111546	A	USD	distributing	Retail	0.050%	-	11/9/2021	1.100%	No
LU2365111975	AQ	USD	distributing	Retail	0.050%	-	11/9/2021	1.100%	No
LU2365112197	N	USD	accumulating	Retail	0.050%	-	11/9/2021	0.825%	No
LU2365112437	AN	USD	distributing	Retail	0.050%	-	11/9/2021	0.825%	No
LU2365112783	R	USD	accumulating	Retail	0.050%	-	11/9/2021	1.100%	No

The exact amount of remuneration paid is provided in the semi-annual and annual report.

5 Typical investor profile

The Sub-Fund is aimed at private and institutional investors with an investment horizon of 5 years who wish to invest in a broadly diversified portfolio of medium-term fixed-interest rate and floating-rate securities and to achieve an appropriate income and capital gain while being aware of the associated price fluctuations.

6 Risk factors

Investors are advised to read section 7 "Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund. Please refer to the details below for information on risks that investments in this Sub-Fund may entail:

– The risk profile of the Sub-Fund may change between its launch date and the end of the Maturity period.

– There is no guarantee for the value of investments at the end of the Maturity period.

– Distressed securities are the securities of issuers that are in financial distress or near bankruptcy, typically with a Standard & Poor's rating below CCC- (or an equivalent rating from another agency). Investments in distressed securities are very speculative and their outcome strongly depends on the securities selection skills of the portfolio manager. In the case of the favorable outcome, the investment may yield an attractive return as the distressed securities may experience too high discount in their price which is not justified by the fair value of this security. In the reversed case, the total loss may be suffered by the investment if the issuer of the security goes bankrupt and investors do not receive any repayment on their borrowings.

Distressed securities not only exhibit a higher degree of risk as compared to the risks inherent to the conventional investments in fixed-income securities, but also modify the importance of those and even become subject to risk types which are almost irrelevant for the debt securities of good standing.

In the sector of the distressed securities, a judicial risk gains importance (so-called “J-risk”). As stated above, the distressed securities may be involved in the bankruptcy process. During this process, it is usual that several court trials take place. Particular risks arise resulting from the uncertainty of the outcome of these trials, in particular out of the decisions made by the relevant judge.

– Investments in high-yield bonds are more risky and generally considered to constitute more speculative investments. These bonds comprise a higher credit risk, higher price fluctuations, a higher risk of loss of capital deployed and of ongoing earnings than bonds with a higher credit rating. The high-yield bonds are generally more sensitive to the changes in the macroeconomic conditions. The spread to the higher rated securities tends to widen during the economic slowdown and recession and to tighten during the economic upswing. Higher coupon payable to the high-yield bond holders is considered a compensation for a higher degree of risk taken by the investors.

– Liquidity risk is very important in the high yield bond area, in particular for the distressed securities. Given that many investors are not willing or even not allowed to hold distressed securities, the trading of these securities deteriorates drastically once a security becomes distressed. This may lead to drying up of the market, so that the liquidity risk may even become the most prominent risk for this type of the securities. Liquidity risk refers to the inability of the Sub-Fund to sell a security or liquidate a position at its fair value. A common consequence of reduced liquidity of a security resp. of a position is an additional discount on the selling resp. liquidation price leading to a wider bid-ask spread as compared to the bid-ask spread charged by the brokers to similar securities which have higher liquidity. In addition, reduced liquidity may have an adverse impact on the ability of the Sub-Fund to meet redemption requests, or to meet liquidity needs in response to a specific economic event in a timely manner.

– Contingent convertible bonds (so-called CoCo Bonds) are hybrid fixed-income instruments with embedded derivatives. The embedded derivative is executed automatically upon a certain pre-defined event or a set of events at the pre-determined conversion rate (so-called, trigger). The outcome of the conversion is that a fixed-income security is converted into an equity. This conversion may be detrimental for the investors as the equity holder are subordinated to the holders of the fixed-income securities and absorb all the losses in case of the total loss. An investment in a CoCo Bond can, therefore, experience a total loss. Individual design of each single CoCo Bond may bring additional risks which may be significant depending on their level and/ or their combination. These risks may include the following: Trigger level risk (i.e. depending on the trigger level in the relevant issue (i.e. the distance between the capital ratio and the trigger level)); coupon cancellation and their write-off (i.e. given that the CoCo Bonds are structured in a way that coupon payments are entirely discretionary, the cancellation may happen at any time and even in a going concern without triggering an event of default); capital structure inversion risk (i.e. CoCo Bonds investors may suffer a loss of capital even when equity holders do not); call extension risk: CoCo-Bonds are issued as perpetual instruments, callable at predetermined levels only with the approval of the competent authority; liquidity risk: The issuance of Coco Bonds is generally limited by regulatory prescriptions, whereas investor base demand may further increase. This might lead to a limited trading market and, besides financial weakness of the issuer, legal or contractual restrictions on resale or transfer, political or other reason, entail reduced liquidity of the CoCo Bonds held by the Sub-Fund. A consequence of reduced liquidity of a security is an additional discount on the selling respectively liquidation price. In addition, reduced liquidity may account for an adverse impact on the ability of the Sub-Fund to meet redemption requests, or to meet liquidity needs in response to a specific economic event in a timely manner. The investors are strongly advised to consult the General Part of the Sales Prospectus for a more detailed description of the risks of investing in CoCo Bonds. In case of doubts, the investors are advised to consult their own financial, legal and/or tax consultant.

– Investments may be made in countries where the local capital markets may not yet qualify as recognized markets within the meaning of the investment restrictions set out in this Sales Prospectus;

– This Sub-Fund's investments may be subject to a higher degree of risk. The stock markets and the economies of emerging markets are generally volatile. This Sub-Fund's investments in certain emerging markets may also be adversely affected by political developments and/or changes in local laws, taxes and exchange controls. Finally, in some countries, it is difficult to clearly identify what conditions of ownership apply to certain companies as a result of ongoing privatization processes; The procedures for settling securities transactions are associated with higher risks in the emerging markets than in developed markets. These higher risks are partly due to the fact that the Sub-Fund must use brokers and counterparties which do not have a very high level of capitalization, and the safekeeping of assets may in some countries be undependable, so that upon subscription or redemption, Fund shares may be worth less, or more, than at the time they were created.

– The Sub-Fund’s investments may be subject to Sustainability Risks.

The Investment Manager’s integration of Sustainability Risks in the investment decision-making process is reflected in its ESG Investing and Advisory Policy. The Sub-Fund has recourse to internal and/or external ESG research and integrates financially material Sustainability Risks into its investment decision-making processes. More information on the ESG Investing and Advisory Policy, and on how the policy is implemented in this Sub-Fund may be obtained from vontobel.com/SFDR.

The Sustainability Risks that the Sub-Fund may be subject to are likely to have a low impact on the value of the Sub-Fund's investments in the medium to long term due to the mitigating nature of the Sub-Fund's ESG approach.

- The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

7 Benchmark

The Sub-Fund is actively managed and is not managed with reference to a benchmark.

8 Risk Measurement Approach

The Sub-Fund will apply the commitment approach to determine the global risk entailed in its investments.

9 Historical performance

The performance for each Share Class of this Sub-Fund can be found in the respective KID. KIDs can be obtained from the registered office of the Fund and at vontobel.com/am.

8 Vontobel Fund II – Fixed Maturity Emerging Markets Bond 2

1 Reference currency

USD

2 Maturity and Launch date

Vontobel Fund II – Fixed Maturity Emerging Markets Bond 2 (the “Sub-Fund”) has a limited duration and will be terminated on 14 May 2027 (the “Maturity”). The Maturity may be extended at the discretion of the Board of Directors, notably to effect an orderly liquidation. In such a case, the Board of Directors will write to the investors to inform them of the extension of the Maturity and of the options available to them. Investors should be prepared to remain invested until the Sub-Fund expires.

The subscription period prior to the launch of the Sub-Fund started on 2 April 2024, and ended on 14May 2024. After this period, no further subscriptions will be allowed unless the Board of Directors decides otherwise. However, redemptions are possible at any time.

3 Investment objective and policy

The Sub-Fund aims to achieve good investment returns in USD over a fixed period, by investing primarily in emerging market debt securities.

While respecting the principle of risk diversification, the Sub-Fund's net assets are primarily invested in bonds, notes and similar fixed-interest rate and floating-rate securities, including convertible bonds as well as asset- and mortgage-backed securities, warrant bonds, denominated in hard currencies, as defined below, and issued or guaranteed by corporate or government, government-related and supra-national issuers domiciled in, having their business activity in or exposed to emerging markets. Investment instruments do not have necessarily to have any or any specific rating of a rating agency. The investments shall be made in a broad range of rating categories, including the high yield sector. The Sub-Fund may invest up to 30% of its net assets in the high yield sector of the fixed-income asset class.

Further, the Sub-Fund may invest in non-rated securities up to 30% of its net assets.

A maximum of 25% of the Sub-Fund's net assets may be invested in convertible bonds and warrant bonds.

The Sub-Fund’s investment in asset-backed and mortgage-backed securities may not exceed 20% of the Sub-Fund's net assets.

"Hard currency" means currencies of economically developed and politically stable countries that are OECD members. Emerging markets in connection with this Sub-Fund are all countries other than Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Monaco, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

Up to 33% of the Sub-Fund's net assets may be invested in asset classes or instruments outside the aforementioned investment universe, including fixed-interest rate and floating-rate securities issued or guaranteed by corporate or government, government-related and supra-national issuers domiciled in, having their business activity in or exposed to developed markets, money market instruments and bank deposits for liquidity management, and equities. Equities are only eligible as a result of a conversion event such as for convertible bonds of all kinds or debt to equity swaps in high yield credits.

The Sub-Fund may not actively invest into distressed securities (i.e. securities that are typically rated with a Standard & Poor’s rating below CCC- (or an equivalent rating from another rating agency)). In the event that a security in the Sub-Fund is downgraded and becomes distressed, the Sub-Fund may continue to hold the security subject to the overall investments to distressed securities may not exceed 5% of the Sub-Fund’s net assets.

The Sub-Fund may also hold up to 20% of its net assets in bank deposits at sight.

Although the Investment Manager will seek to match the residual maturities (=anticipated maturity) of the investments with the Maturity of the Sub-Fund, the residual maturities of some investments may be shorter or longer than the Maturity of the Sub-Fund. The maturities of the investments will not exceed the targeted maturity of the Sub-Fund by more than 6 months. Although it is intended that the Sub-Fund will hold the investments until their respective maturity date, the Investment Manager has full discretion to sell the investments or fully reposition the portfolio prior to their maturity date.

While ensuring observance of the principle of risk spreading and taking due account of the interests of shareholders, the Sub-Fund may derogate from the previously described asset allocation and from the investment restrictions laid down in sections 9.2 b) and 9.3 of the General Part of the Sales Prospectus for 1 month following its launch in order to build up its portfolio.

During the 3 months prior to the Maturity, the Investment Manager will seek to consolidate the portfolio and to prepare payment of the proceeds to the investors at the Maturity. To do so, the Sub-Fund may hold up to 100% in money market instruments (such as US Treasury Bills), bank deposits and hold bank deposits at sight.

Currency or credit risk may be actively managed by increasing or decreasing currency or credit exposure through the use of derivative financial instruments. Furthermore, interest rate risk may be actively managed by increasing or decreasing interest rate sensitivity (duration) through the use of financial derivative instruments.

The derivative financial instruments may include, but are not limited to forwards and futures, in particular foreign exchange forwards and futures, options and swaps, in particular credit default swaps and interest rate swaps.

The derivatives may also be used for the purposes of hedging.

The Sub-Fund may invest via eligible UCITS and/or other UCIs up to 10% of its net assets and may include undertakings for collective investment managed by a company belonging to the Vontobel Group.

4 Single swing pricing

The Sub-Fund is subject to single swing pricing and may apply a Single Swing Pricing Factor of up to 3% of the net asset value.

5 Fees, expenses and commissions

The fees and expenses that may be charged to the Share Classes of the Sub-Fund are described in section 20 "Fees and expenses" of the General Part.

The Service Fee shall be charged to all the Share Classes and amount to maximum 1.0494% per annum of the net asset value of a share class.

The Subscription Fee may amount up to 5% of the net asset value per share, and the Conversion Fee may amount up to 1% of the net asset value per share. The Redemption Fee shall be charged according to the scheme below in section 6.

The applicable rates of Management Fee and taxe d'abonnement and the minimum subscription amount, if any, are stipulated in the share class table below.

ISIN	Share Class	Currency	Distr. Policy	Investor Type	Tax d'Abo	Min. subscr. (Sub-Fund currency	Launch date	Mgmt Fee Max	Performance Fee
LU2581748105	HI (hedged)	CHF	accumulating	Institutional	0.010%	-	5/14/2024	0.550%	No
LU2581747719	AHI (hedged) Gross	CHF	distributing	Institutional	0.010%	-	5/14/2024	0.550%	No
LU2581747552	HR (hedged)	CHF	accumulating	Retail	0.050%	-	5/14/2024	1.100%	No
LU2581746158	HN (hedged)	CHF	accumulating	Retail	0.050%	-	5/14/2024	0.825%	No
LU2581747040	AHN (hedged) Gross	CHF	distributing	Retail	0.050%	-	5/14/2024	0.825%	No
LU2581748287	HI (hedged)	EUR	accumulating	Institutional	0.010%	-	5/14/2024	0.550%	No
LU2581748360	H (hedged)	EUR	accumulating	Retail	0.050%	-	5/14/2024	1.100%	No
LU2581746745	AH (hedged) Gross	EUR	distributing	Retail	0.050%	-	5/14/2024	1.100%	No
LU2581746232	HN (hedged)	EUR	accumulating	Retail	0.050%	-	5/14/2024	0.825%	No
LU2581745937	AHN (hedged) Gross	EUR	distributing	Retail	0.050%	-	5/14/2024	0.825%	No
LU2581745853	I	USD	accumulating	Institutional	0.010%	-	5/14/2024	0.550%	No
LU2581747636	R	USD	accumulating	Retail	0.050%	-	5/14/2024	1.100%	No
LU2581747479	B	USD	accumulating	Retail	0.050%	-	5/14/2024	1.100%	No
LU2581747396	B1	USD	accumulating	Retail	0.050%	-	5/14/2024	2.000%	No
LU2581746828	A Gross	USD	distributing	Retail	0.050%	-	5/14/2024	1.100%	No
LU2581746406	AQ1 Gross	USD	distributing	Retail	0.050%	-	5/14/2024	2.000%	No
LU2581746315	N	USD	accumulating	Retail	0.050%	-	5/14/2024	0.825%	No
LU2581746075	AN Gross	USD	distributing	Retail	0.050%	-	5/14/2024	0.825%	No
LU2760116777	C1	USD	accumulating	Retail	0.050%	-	5/14/2024	2.000%	No
LU2760116348	AQC1 Gross	USD	distributing	Retail	0.050%	-	5/14/2024	2.000%	No
LU2760116421	U1	USD	accumulating	Retail	0.050%		5/14/2024	1.100%	No
LU2760116694	UAQ1 Gross	USD	distributing	Retail	0.050%		5/14/2024	1.100%	No

The exact amount of remuneration paid is provided in the semi-annual and annual report.

6 Redemption of Shares and redemption commission

By derogation to the General Part, the redemption price will be decreased by a redemption fee paid to the Sub-Fund, applied on the counter value of the number of Shares redeemed based on the Net Asset Value per Share on the redemption day according to the scheme below.

The redemption fee applies to all share classes.

Period	Rate of redemption fee
During initial subscription period (from 2 April 2024 to 14 May 2024)	Nil
From 15 May 2024 to 14 May 2025 (first 12 months)	1%
From 15 May 2025 to 14 May 2026 (second 12 months)	0.50%
From 15 May 2026 to 14 May 2027 (third 12 months)	Nil

7 Typical investor profile

The Sub-Fund is aimed at private and institutional investors with a short to medium term investment horizon who wish to invest in a broadly diversified portfolio of short to medium-term fixed-interest rate and floating-rate securities and to achieve an appropriate income and capital gain while being aware of the associated price fluctuations.

8 Risk factors

Investors are advised to read section 7 "Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund. Please refer to the details below for information on risks that investments in this Sub-Fund may entail:

The risk profile of the Sub-Fund may change between its launch date and the end of the Maturity period.

There is no guarantee for the value of investments at the end of the Maturity period.

Distressed securities are the securities of issuers that are in financial distress or near bankruptcy, typically with a Standard & Poor's rating below CCC- (or an equivalent rating from another agency). Investments in distressed securities are very speculative and their outcome strongly depends on the securities selection skills of the portfolio manager. In the case of the favorable outcome, the investment may yield an attractive return as the distressed securities may experience too high discount in their price which is not justified by the fair value of this security. In the reversed case, the total loss may be suffered by the investment if the issuer of the security goes bankrupt and investors do not receive any repayment on their borrowings.

Distressed securities not only exhibit a higher degree of risk as compared to the risks inherent to the conventional investments in fixed-income securities, but also modify the importance of those and even become subject to risk types which are almost irrelevant for the debt securities of good standing.

In the sector of the distressed securities, a judicial risk gains importance (so-called "J-risk"). As stated above, the distressed securities may be involved in the bankruptcy process. During this process, it is usual that several court trials take place. Particular risks arise resulting from the uncertainty of the outcome of these trials, in particular out of the decisions made by the relevant judge.

Investments in high-yield bonds are more risky and generally considered to constitute more speculative investments. These bonds comprise a higher credit risk, higher price fluctuations, a higher risk of loss of capital deployed and of ongoing earnings than bonds with a higher credit rating. The high-yield bonds are generally more sensitive to the changes in the macroeconomic conditions. The spread to the higher rated securities tends to widen during the economic slowdown and recession and to tighten during the economic upswing. Higher coupon payable to the high-yield bond holders is considered a compensation for a higher degree of risk taken by the investors.

Liquidity risk is very important in the high yield bond area, in particular for the distressed securities. Given that many investors are not willing or even not allowed to hold distressed securities, the trading of these securities deteriorates drastically once a security becomes distressed. This may lead to drying up of the market, so that the liquidity risk may even become the most prominent risk for this type of the securities. Liquidity risk refers to the inability of the Sub-Fund to sell a security or liquidate a position at its fair value. A common consequence of reduced liquidity of a security resp. of a position is an additional discount on the selling resp. liquidation price leading to a wider bid-ask spread as compared to the bid-ask spread charged by the brokers to similar securities which have higher liquidity. In addition, reduced liquidity may have an adverse impact on the ability of the Sub-Fund to meet redemption requests, or to meet liquidity needs in response to a specific economic event in a timely manner.

Investments may be made in countries where the local capital markets may not yet qualify as recognized markets within the meaning of the investment restrictions set out in this Sales Prospectus;

This Sub-Fund's investments may be subject to a higher degree of risk. The stock markets and the economies of emerging markets are generally volatile. This Sub-Fund's investments in certain emerging markets may also be adversely affected by political developments and/or changes in local laws, taxes and exchange controls. Finally, in some countries, it is difficult to clearly identify what conditions of ownership apply to certain companies as a result of ongoing privatization processes; The procedures for settling securities transactions are associated with higher risks in the emerging markets than in developed markets. These higher risks are partly due to the fact that the Sub-Fund must use brokers and counterparties which do not have a very high level of capitalization, and the safekeeping of assets may in some countries be undependable, so that upon subscription or redemption, Fund shares may be worth less, or more, than at the time they were created.

The Sub-Fund's investments may be subject to Sustainability Risks. The Investment Manager's integration of Sustainability Risks in the investment decision-making process is reflected in its ESG Investing and Advisory Policy. The Sub-Fund has recourse to both internal and/or external ESG research and integrates financially material Sustainability Risks into its investment decision-making processes. More information on the ESG Investing and Advisory Policy, and how the Sub-Fund implements Sustainability Risks may be obtained from vontobel.com/SFDR.

The Sustainability Risks that the Sub-Fund may be subject to are likely to have a low impact on the value of the Sub-Fund's investments in the medium to long term due to the mitigating nature of the Sub-Fund's investment policy.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

9 Benchmark

The Sub-Fund is actively managed. It is not managed with reference to a benchmark.

10 Risk Measurement Approach

The Sub-Fund will apply the commitment approach to determine the global risk entailed in its investments.

11 Historical performance

The performance for each Share Class of this Sub-Fund can be found in the respective KID. KIDs can be obtained from the registered office of the Fund and at vontobel.com/am.

9 Annexes - Pre-contractual disclosures for financial products referred to in Article 8 and 9 of Regulation (EU) 2019/2088 and Articles 5 and 6 of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

1 Annex “Environmental and/or social characteristics” to the Sub-Fund Vontobel Fund II – Active Beta

Pre-contractual disclosure annex for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Vontobel Fund II – Active Beta
Legal entity identifier: 2221005PIXP5MRX7VZ80

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**	●○ ☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** __%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics and invests in issuers that the Investment Manager considers well-prepared to handle financially material environmental and social challenges. Issuers will be selected based on the Investment Manager’s ESG framework.
The ESG approach will be applied to the Sub-Fund's securities portfolio and target funds. For the avoidance of doubt, where the exposure to an asset class is built up via derivatives, a part or all of the securities portfolio may serve as collateral for such derivative transactions.
The Sub-Fund has not designated a reference benchmark for the purpose of attaining the environmental and social characteristics that it promotes.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***
  - Percentage of investments in securities of corporate issuers that derive a non-negligible part of their revenues from products and/or activities excluded by the Sub-Fund (excluded products and/or activities are indicated under the investment strategy section)
  - Percentage of investments in securities of issuers that pass the minimum ESG Rating that has been set for this Sub-Fund (based on a proprietary methodology, minimum is set at E from A-G, G being the lowest). If the issuer cannot be rated by proprietary methodology a minimum MSCI ESG rating of BB is taken.
  - Percentage of investments in securities of issuers that pass the minimum Climate score that has been set for this Sub-Fund (based on a proprietary methodology, minimum is set at 10 from 0-100, 0 being the lowest).
  - Percentage of investments in securities of issuers that are in violation certain of global norms and standards promoted by the Sub-Fund or that are exposed to critical controversies (unless the Investment Manager believes reasonable progress can be attained, for example, through active ownership activities). Such controversies may be related to environmental, social or governance issues.
  - Percentage of investments in green, social or sustainability bonds in the securities portfolio or in investment funds that invest mainly in such bonds.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The financial product will invest at least 15% in green, social or sustainability bonds, either through direct investments in such bonds or indirectly through investments in funds that invest mainly in such bonds. These investments will be qualified as sustainable investments. The direct investments are bonds categorized as green, social or sustainability bonds based on international standards such as the International Capital Market Association (ICMA). For indirect investments, the minimum proportion of sustainable investments of the target fund weighted by the exposure to the target fund is counted towards the sustainable investment quota of the Sub-Fund.

The green bonds' objective is to enable capital-raising and investment for new and existing sound and sustainable projects with environmental benefits, that foster a net-zero emissions economy and protect the environment (example: renewable energy, pollution prevention and control, environmentally sustainable management of living natural resources and land use). Social bonds are use of proceeds bonds that raise funds for new and existing projects with positive social outcomes (example: direct emergency relief such as food, shelter and healthcare and specific projects designed to alleviate unemployment of affected populations). Sustainability bonds are bonds where the proceeds will be exclusively applied to finance or re-finance a combination of both green and social projects.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

In order to ensure that the sustainable investments that Sub-Fund intends to make do not cause significant harm to any environmental or social investment objective, the Sub-Fund takes into account all the mandatory indicators for adverse impacts and ensures that the Sub-Fund's investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Investment Manager takes into account all the mandatory adverse impact indicators and any relevant additional adverse impact indicators by applying the following process:

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms may include: exclusion, active ownership, tilting.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

✖ Yes, the Investment Manager considers certain principal adverse impacts on sustainability factors in the following areas: for corporates emissions, social matters and human rights; for sovereigns and supranationals environmental aspects and social matters.

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms may include: exclusion, active ownership, tilting.

Information on how principal adverse impacts on sustainability factors were considered will be made available in the periodic reporting of the Sub-Fund.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to attain the environmental and social characteristics, the Sub-Fund applies the following ESG framework: exclusion approach, monitoring of critical controversies, screening, partial investments in green, social or sustainability bonds.

Exclusion approach:

– The Sub-Fund excludes issuers (corporate and/or other issuers) based on pre-defined criteria related to certain practices or involvement in certain activities (such as involvement in manufacturing of controversial weapons, and where applicable other types of controversial activities). More information about these pre-defined exclusion criteria are disclosed under https://am.vontobel.com/view/VAB#documents, and, if applicable, whether the exclusion applies to upstream, midstream/production or downstream activities, the revenue thresholds applied and potential exceptions considered.

Monitoring of critical controversies:

– The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

Screening:

– The Sub-Fund invests in securities of issuers that pass the minimum ESG rating (minimum is set at E, on a scale from A to G, with A being the best, and G being the worst rating), which is based on a proprietary methodology. If an issuer cannot be assigned a proprietary ESG rating, a minimum MSCI ESG rating of BB shall be used. The ESG model scores companies relative to the other companies in the related industry.
– The Sub-Fund invests in securities issuers that pass the minimum climate score (set at 10, on a scale from 0 to 100, with 0 being the worst and 100 being the best), which is based on the Investment Manager's proprietary methodology. The model is based on a combination of backward-looking metrics such as carbon intensity, and forward-looking metrics such as warming potential.
– The Sub-Fund invests in selected target funds that pass the Investment Manager's ESG assessment. Target funds are evaluated based on qualitative and quantitative criteria, which include sector-based exclusions, consideration of UN Global Compact, and the management of controversial ESG events.

Partial investments in green, social or sustainability bonds:

– The Sub-Fund will invest at least 15% in green, social or sustainability bonds, either through direct investments in such bonds or indirectly through investments in funds that invest mainly in such bonds. These investments will be qualified as sustainable investments. Green, social or sustainability bonds are instruments where the proceeds will be applied to finance or refinance new and/or existing projects, with positive environmental and/or social outcomes. The direct investments are bonds categorized as green, social or sustainability bonds based on international standards such as the Inter-national Capital Market Association (ICMA). For indirect investments, the minimum proportion of sustainable investments of the target fund weighted by the exposure to the target fund is counted towards the sustainable investment quota of the Sub-Fund.

Additionally, the Sub-Fund follows an active ownership approach, which takes into account relevant environmental, social and governance matters. The Investment Manager sees these activities as a way to support the attainment of the environmental and social characteristics promoted by the Sub-Fund. The Sub-Fund is covered by the engagement pool of the Investment Manager's stewardship program, which is mainly based on a collaboration with a stewardship partner. The Investment Manager has limited influence on the stewardship partner's engagement program.

The securities will be analyzed based on the binding elements prior to investment and monitored on a continuous basis. The securities in the portfolio have their sustainability performance periodically revaluated using the above-described sustainability framework. If a security does not comply with the binding criteria described below, the Investment Manager divests from such an issuer within a time period to be determined by the Investment Manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions, and taking due account of the best interests of the shareholders. The Board of Directors or the Management Company of Vontobel Fund II may decide to further postpone the rectification of such a breach or decide to carry out the divestment in several instalments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***
  - The Sub-Fund excludes securities of corporate issuers that derive a non-negligible part of their revenues from excluded products and/or activities referenced above under “Exclusion approach”.
  - The Sub-Fund excludes securities of issuers that are in violation of certain global norms and standards promoted by the Sub-Fund or that are exposed to critical controversies (unless the Investment Manager believes reasonable progress can be attained, for example, through active ownership activities). Such controversies may be related to environmental, social or governance issues.
  - The Sub-Fund invests in securities of issuers that pass the minimum proprietary ESG rating that has been set for this Sub-Fund (set at E).
  - The Sub-Fund invests in securities of issuers that pass the minimum climate score that has been set for this Sub-Fund (set at 10).
  - The Sub-Fund will invest at least 15% in green, social or sustainability bonds, either through direct investments in such bonds or indirectly through investments in funds that invest mainly in such bonds.
  - The Sub-Fund invests in selected target funds that pass the Investment Manager’s ESG assessment.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***
  Not applicable. The Sub-Fund does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

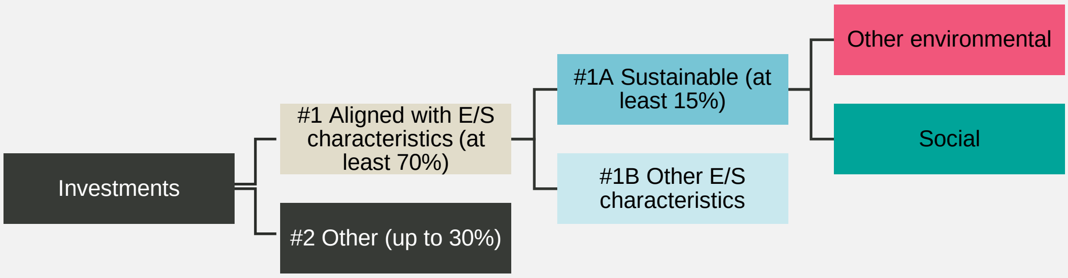
- ***What is the policy to assess good governance practices of the investee companies?***
  The Investment Manager will assess investee companies’ good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance, by applying a critical controversies monitoring process. The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager’s investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

What is the asset allocation planned for this financial product?

The Sub-Fund is expected to invest at least 70% of its NAV in issuers that qualify as aligned with E/S characteristics (#1 Aligned with E/S characteristics), under normal market conditions. This includes the minimum of 15% of the investments of the Sub-Fund that are sustainable investments.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:
– The sub-category #1A Sustainable covers environmentally and socially sustainable investments.
– The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The percentages indicated above refer to the Sub-Fund's net asset value.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***
  Not applicable. Derivatives are not used for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to invest a minimum share in sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the Sub-Fund's minimum share of investments in environmentally sustainable economic activities in accordance with the EU Taxonomy regulation are indicated to be 0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?***

  ☐ Yes:

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

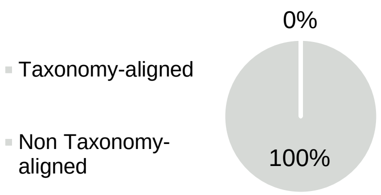
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

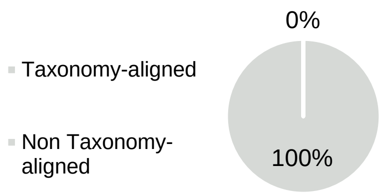
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents X% of the total investments.**

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

**As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

- ***What is the minimum share of investments in transitional and enabling activities?***
  The Sub-Fund does not partially intend to invest in sustainable investments, as defined by the EU Taxonomy. Therefore, the Sub-Fund's minimum share of investments in transitional and enabling activities in accordance with the EU Taxonomy regulation are indicated to be 0%.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are **sustainable investments with an environmental objective that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund invests at least 15% of its net assets in sustainable investments, typically across both environmental and social objectives. It does not commit to any specific individual or combination of sustainable investment objectives and therefore there is no committed minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

EU Taxonomy aligned sustainable investments are considered a sub-category of sustainable investments. If a sustainable investment is not Taxonomy-aligned since

– the economic activity is not yet covered under the EU Taxonomy,
– the positive contribution is not (fully) aligned with the criteria for environmentally sustainable economic activities under the EU Taxonomy, or
– the issuer does not fall under the reporting scope of the EU Taxonomy, and the Investment Manager does not have sufficient equivalent information to conclude its assessment,

the investment can still be considered an Sustainable Investment with an environmental objective that is not aligned with the EU Taxonomy, provided it complies with all criteria of the SFDR.

What is the minimum share of socially sustainable investments?

The Sub-Fund invests at least 15% of its net assets in sustainable investments, typically across both environmental and social objectives. It does not commit to any specific individual or combination of sustainable investment objectives and therefore there is no committed minimum share of socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund may hold ancillary liquidity and use financial derivative instruments for investment and hedging purposes. While these instruments are not expected to detrimentally affect the attainment of the Sub-Fund's environmental and social characteristics, no minimum environmental or social safeguards are applied.

Other investments include also unscreened investments and investments that do not qualify as aligned with environmental/social characteristics promoted by the Sub-Fund for investment or diversification purposes or investments for which ESG data is lacking. For such instruments, the monitoring process of critical controversies is applied.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://am.vontobel.com/view/VAB#documents, under "Sustainability Related Disclosures".

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

2 Annex “Environmental and/or social characteristics” to the Sub-Fund Vontobel Fund II – Active Beta Opportunities

Pre-contractual disclosure annex for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Vontobel Fund II – Active Beta Opportunities
Legal entity identifier: 222100KNV8LZRIXLO538

Environmental and/or social characteristics

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●●	☐	**Yes**	●○	☒	**No**
☐	It will make a minimum of **sustainable investments with an environmental objective:** __%		☒	It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments	
	☐	in economic activities that qualify as environmentally sustainable under the EU Taxonomy		☐	with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
	☐	in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy		☒	with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
				☒	with a social objective
☐	It will make a minimum of **sustainable investments with a social objective:** ___%		☐	It promotes E/S characteristics, but **will not make any sustainable investments**	

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics and invests in issuers that the Investment Manager considers well-prepared to handle financially material environmental and social challenges. Issuers will be selected based on the Investment Manager’s ESG framework.
The ESG approach will be applied to the Sub-Fund's securities portfolio and target funds. For the avoidance of doubt, where the exposure to an asset class is built up via derivatives, a part or all of the securities portfolio may serve as collateral for such derivative transactions.
The Sub-Fund has not designated a reference benchmark for the purpose of attaining the environmental and social characteristics that it promotes.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

- Percentage of investments in securities of corporate issuers that derive a non-negligible part of their revenues from products and/or activities excluded by the Sub-Fund
- Percentage of investments in securities of issuers that pass the minimum ESG Rating that has been set for this Sub-Fund (based on a proprietary methodology, minimum is set at E from A-G, G being the lowest). If the issuer cannot be rated by proprietary methodology a minimum MSCI ESG rating of BB is taken.
- Percentage of investments in securities of issuers that pass the minimum Climate score that has been set for this Sub-Fund (based on a proprietary methodology, minimum is set at 10 from 0-100, 0 being the lowest).
- Percentage of investments in securities of issuers that are in violation of certain global norms and standards promoted by the Sub-Fund or that are exposed to critical controversies (unless the Investment Manager believes reasonable progress can be attained, for example, through active ownership activities). Such controversies may be related to environmental, social or governance issues.
- Percentage of investments in green, social or sustainability bonds in the securities portfolio or investment funds that invest mainly in such bonds.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The financial product will invest at least 15% in green, social or sustainability bonds, either through direct investments in such bonds or indirectly through investments in funds that invest mainly in such bonds. These investments will be qualified as sustainable investments. The direct investments are bonds categorized as green, social or sustainability bonds based on international standards such as the International Capital Market Association (ICMA). For indirect investments, the minimum proportion of sustainable investments of the target fund weighted by the exposure to the target fund is counted towards the sustainable investment quota of the Sub-Fund.

The green bonds' objective is to enable capital-raising and investment for new and existing sound and sustainable projects with environmental benefits, that foster a net-zero emissions economy and protect the environment (example: renewable energy, pollution prevention and control, environmentally sustainable management of living natural resources and land use). Social bonds are use of proceeds bonds that raise funds for new and existing projects with positive social outcomes (example: direct emergency relief such as food, shelter and healthcare and specific projects designed to alleviate unemployment of affected populations). Sustainability bonds are bonds where the proceeds will be exclusively applied to finance or re-finance a combination of both green and social projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In order to ensure that the sustainable investments that Sub-Fund intends to make do not cause significant harm to any environmental or social investment objective, the Sub-Fund takes into account all the mandatory indicators for adverse impacts and ensures that the Sub-Fund's investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Investment Manager takes into account all the mandatory adverse impact indicators and any relevant additional adverse impact indicators by applying the following process:

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms may include: exclusion, active ownership, tilting.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational

Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

✖ Yes, the Investment Manager considers certain principal adverse impacts on sustainability factors in the following areas: for corporates emissions, social matters and human rights; for sovereigns and supranationals environmental aspects and social matters.

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms may include: exclusion, active ownership, tilting.

Information on how principal adverse impacts on sustainability factors were considered will be made available in the periodic reporting of the Sub-Fund.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to attain the environmental and social characteristics, the Sub-Fund applies the following ESG framework: exclusion approach, monitoring of critical controversies, screening, partial investments in green or bonds.

Exclusion approach:
The Sub-Fund excludes issuers (corporate and/or other issuers) based on pre-defined criteria related to certain practices or involvement in certain activities (such as involvement in manufacturing of controversial weapons, and where applicable other types of controversial activities). More information about these pre-defined exclusion criteria are disclosed under https://am.vontobel.com/view/VABO#documents, and, if applicable, whether the exclusion applies to upstream, midstream/production or downstream activities, the revenue thresholds applied and potential exceptions considered.

Monitoring of critical controversies:

– The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager’s investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

Screening:

The Sub-Fund invests in securities of issuers that pass the minimum ESG rating (minimum is set at E, on a scale from A to G, with A being the best, and G being the worst rating), which is based on a proprietary methodology. If an issuer cannot be assigned a proprietary ESG rating, a minimum MSCI ESG rating of BB shall be used. The ESG model scores companies relative to the other companies in the related industry.

– The Sub-Fund invests in securities of issuers that pass the minimum climate score (set at 10, on a scale from 0 to 100, with 0 being the worst and 100 being the best), which is based on the Investment Manager’s proprietary methodology. The model is based on a combination of backward-looking metrics such as carbon intensity, and forward-looking metrics such as warming potential.
– The Sub-Fund invests in selected target funds that pass the Investment Manager’s ESG assessment. Target funds are evaluated based on qualitative and quantitative criteria, which include sector-based exclusions, consideration of UN Global Compact, and the management of controversial ESG events.

Partial investments in green and/or sustainability bonds:

– The Sub-Fund invests at least 15% of investments in green, social or sustainability bonds, either through direct investments in such bonds or indirectly through investments in funds that invest mainly in such bonds. These investments will be qualified as sustainable investments. Green, social or sustainability bonds are instruments where the proceeds will be applied to finance or refinance new and/or existing projects, with positive environmental and/or social outcomes. The direct investments are bonds categorized as green, social or sustainability bonds based on international standards such as the International Capital Market Association (ICMA). For indirect investments, the minimum proportion of sustainable investments of the target fund weighted by the exposure to the target fund is counted towards the sustainable investment quota of the Sub-Fund.

Additionally, the Sub-Fund follows an active ownership approach, which takes into account relevant environmental, social and governance matters. The Investment Manager sees these activities as a way to support the attainment of the environmental and social characteristics promoted by the Sub-Fund. The Sub-Fund is covered by the engagement pool of the Investment Manager’s stewardship program, which is mainly based on a collaboration with a stewardship partner. The Investment Manager has limited influence on the stewardship partner's engagement program.

The securities will be analyzed based on the binding elements prior to investment and monitored on a continuous basis. The securities in the portfolio have their sustainability performance periodically revaluated using the above-described sustainability framework. If a security does not comply with the binding criteria described below, the Investment Manager divests from such an issuer within a time period to be determined by the Investment Manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions, and taking due account of the best interests of the shareholders. The Board of Directors or the Management Company of Vontobel Fund II may decide to further postpone the rectification of such a breach or decide to carry out the divestment in several instalments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***
  - The Sub-Fund excludes securities of corporate issuers that derive a non-negligible part of their revenues from excluded products and/or activities referenced above under “Exclusion approach”.
  - The Sub-Fund excludes securities of issuers that are in violation of certain global norms and standards promoted by the Sub-Fund or that are exposed to critical controversies (unless the Investment Manager believes reasonable progress can be attained, for example, through active ownership activities). Such controversies may be related to environmental, social or governance issues.
  - The Sub-Fund invests in securities of issuers that pass the minimum proprietary ESG rating that has been set for this Sub-Fund (set at E).
  - The Sub-Fund invests in securities of issuers that pass the minimum climate score that has been set for this Sub-Fund (set at 10).
  - The Sub-Fund will invest at least 15% in green, social or sustainability bonds, either through direct investments in such bonds or indirectly through investments in funds that invest mainly in such bonds.
  - The Sub-Fund invests in selected target funds that pass the Investment Manager’s ESG assessment.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

  Not applicable. The Sub-Fund does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

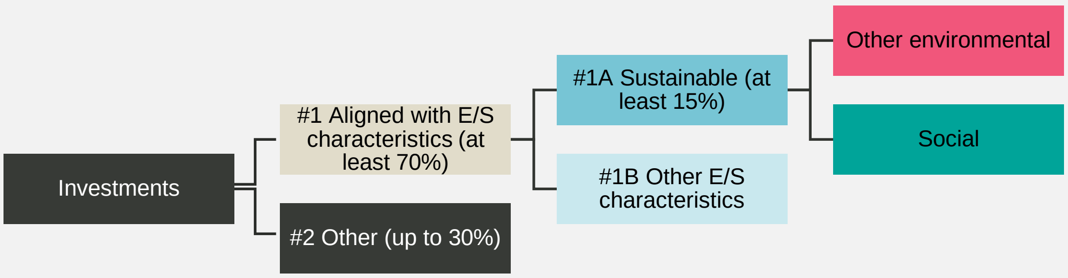
- ***What is the policy to assess good governance practices of the investee companies?***

  The Investment Manager will assess investee companies’ good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance, by applying a critical controversies monitoring process. The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager’s investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The Sub-Fund is expected to invest at least 70% of its NAV in issuers that qualify as aligned with E/S characteristics (#1 Aligned with E/S characteristics), under normal market conditions.
This includes the minimum of 15% of the investments of the Sub-Fund that are sustainable investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:
- The sub-category #1A Sustainable covers environmentally and socially sustainable investments.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The percentages indicated above refer to the Sub-Fund's net asset value.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

  Not applicable. Derivatives are not used for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to invest a minimum share in sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the Sub-Fund's minimum share of investments in environmentally sustainable economic activities in accordance with the EU Taxonomy regulation are indicated to be 0%.

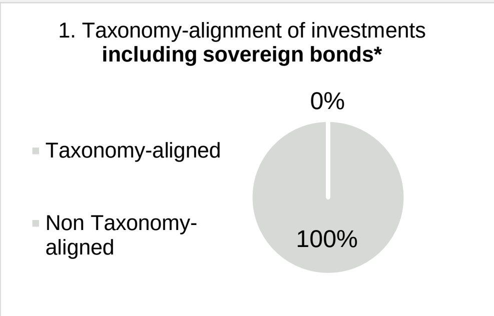
- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?***

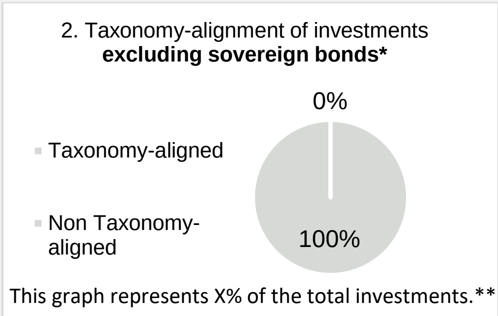
  ☐ Yes:

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

**As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

- ***What is the minimum share of investments in transitional and enabling activities?***
  The Sub-Fund does not partially intend to invest in sustainable investments, as defined by the EU Taxonomy. Therefore, the Sub-Fund's minimum share of investments in transitional and enabling activities in accordance with the EU Taxonomy regulation are indicated to be 0%.

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[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund invests at least 15% of its net assets in sustainable investments, typically across both environmental and social objectives. It does not commit to any specific individual or combination of sustainable investment objectives and therefore there is no committed minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

EU Taxonomy aligned sustainable investments are considered a sub-category of sustainable investments. If a sustainable investment is not Taxonomy-aligned since

- the economic activity is not yet covered under the EU Taxonomy,
- the positive contribution is not (fully) aligned with the criteria for environmentally sustainable economic activities under the EU Taxonomy, or
- the issuer does not fall under the reporting scope of the EU Taxonomy, and the Investment Manager does not have sufficient equivalent information to conclude its assessment,

the investment can still be considered a Sustainable Investment with an environmental objective that is not aligned with the EU Taxonomy, provided it complies with all criteria of the SFDR.

What is the minimum share of socially sustainable investments?

The Sub-Fund invests at least 15% of its net assets in sustainable investments, typically across both environmental and social objectives. It does not commit to any specific individual or combination of sustainable investment objectives and therefore there is no committed minimum share of socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund may hold ancillary liquidity and use financial derivative instruments for investment and hedging purposes. While these instruments are not expected to detrimentally affect the attainment of the Sub-Fund's environmental and social characteristics, no minimum environmental or social safeguards are applied.

Other investments include also unscreened investments and investments that do not qualify as aligned with environmental/social characteristics promoted by the Sub-Fund for investment or diversification purposes or investments for which ESG data is lacking. For such instruments the monitoring process of critical controversies is applied.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product-specific information can be found on the website:

https://am.vontobel.com/view/VABO#documents, under "Sustainability Related Disclosures".

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

3 Annex “Sustainable investment objective” to the Sub-Fund Vontobel Fund II – mtx Emerging Markets Sustainability Champions

Pre-contractual disclosure annex for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Vontobel Fund II – mtx Emerging Markets Sustainability Champions
Legal entity identifier: 222100QEOA31312U5U17

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It will make a minimum of **sustainable investments with an environmental objective:** 20%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It will make a minimum of **sustainable investments with a social objective:** 20%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What is the sustainable investment objective of this financial product?

The Sub-Fund aims to contribute to the United Nations Sustainable Development Goals (UN SDGs) by investing in emerging market securities that the Investment Manager identifies as Sustainability Champions. The 17 UN SDGs are a universal call to action to address the world’s most pressing long-term challenges. The UN SDGs provide a shared blueprint for peace and prosperity for people and the planet, now and into the future. The UN SDGs recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. The private sector can play an important role in advancing the UN SDGs’ agenda. Additionally, the identification of Sustainability Champions offers an attractive investment proposition by preserving and enhancing the long-term value of their assets.

Sustainability Champions are companies that: (i) contribute significantly to at least one of the UN SDGs as evaluated by the Investment Manager using its proprietary UN SDG evaluation framework; and (ii) pass a detailed evaluation of their environment, social and governance (ESG) operational performance using the Investment Manager’s proprietary ESG framework; and (iii) comply with the extensive exclusion criteria that the Investment Manager has set to avoid investments in certain economic activities that are harmful to society and environment.

The Sub-Fund has not designated a reference benchmark for the purpose of attaining the sustainable investment objective.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

- Percentage of investments in securities of corporate issuers that have at least 50% of their revenues (save where alternatives are used) derived from economic activities that are aligned with one or more of the UN SDGs or in certain cases, operational factors or alternative proxies to revenue demonstrate that the economic activities are highly material to advancing the SDGs as evaluated using the UN SDG Alignment Framework (SAF), the Investment Manager's proprietary UN SDG evaluation framework
- Percentage of investments in companies that pass the minimum ESG score (as evaluated using the "Minimum Standards Framework", the Investment Manager's proprietary ESG evaluation framework; minimum is set at 2.4 out of 5) set for this Sub-Fund
- Percentage of investments in securities of corporate issuers that derive a non-negligible part of their revenues from products and/or activities excluded by the Sub-Fund (excluded products and/or activities are indicated under the investment strategy section)
- Percentage of investments in companies evaluated as having an overriding Fail Score under the "Minimum Standards Framework"
- Percentage of investments in companies with an "F-Score" evaluated under the "F-Score" Framework, the Investment Manager's proprietary tool for evaluating critical controversies
- Percentage of investments in companies that are in violation of certain global norms and standards promoted by the Sub-Fund or that are exposed to critical controversies (aka Critical ESG Events), (unless the Investment Manager believes reasonable progress can be attained, for example, through active ownership activities). Such controversies may be related to environmental, social or governance issues.
- The Sub-Fund's carbon footprint relative to the benchmark (evaluated on the basis of each issuer's scope 1 and 2 GHG emissions normalized by the company's enterprise value including cash (EVIC) and multiplied by its weight in the portfolio). The sum of such weighted average carbon footprint is calculated and then compared to that of the benchmark (MSCI Emerging Markets Total Returns Net (USD)).
- Percentage of securities covered by ESG analysis

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

In order to ensure that the Sustainable Investments of the Sub-Fund do not cause significant harm to any environmental or social investment objective, the Sub-Fund takes into account all the mandatory indicators for adverse impacts and ensures that the Sub-Fund's investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as further outlined below.

How have the indicators for adverse impacts on sustainability factors been taken into account?

For the portion of sustainable investments, the Investment Manager takes into account the adverse impacts on sustainability factors by applying the following process: The sustainable investment approach includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. Furthermore, the Investment Manager identifies investments that are exposed to principal adverse impacts on sustainability factors based on in-house research.

Data sources include issuer data, ESG data providers, news alerts, brokers and other reputable data sources. Where no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms include exclusion, active ownership, and tilting. Actions to address or mitigate principal adverse sustainability impacts depend on the severity, materiality and exceptionality of these impacts. These actions are guided by the Sub-Fund's ESG integration criteria and exclusion policies, as well as the investment manager's engagement and voting strategy.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

✖ Yes, the Investment Manager takes into account all the mandatory adverse impacts indicators and any relevant additional indicators by applying the following process:

The sustainable investment approach includes a series of commitments, which are material to consideration of principal adverse sustainability impacts, and guides the internal ESG integration process. Furthermore, the Investment Manager identifies investments that are exposed to principal adverse impacts on sustainability factors based on in-house research.

Data sources include issuer data, ESG data providers, news alerts, brokers and other reputable data sources. Where no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms include exclusion, active ownership, and tilting. Actions to address or mitigate principal adverse sustainability impacts depend on the severity, materiality and exceptionality of these impacts. These actions are guided by the Sub-Fund's ESG integration criteria and exclusion policies, as well as the investment manager's engagement and voting strategy.

Information on how principal adverse impacts on sustainability factors were considered will be made available in the periodic reporting of the Sub-Fund.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to attain the sustainable investment objective, the Sub-Fund applies the following ESG framework: SDG evaluation, exclusion approach, monitoring of critical controversies, screening, carbon related commitments.

SDG evaluation:

– The Sub Fund analyses potential issuers for their alignment to the UN SDGs using the Investment Manager's proprietary UN SDG Alignment Framework (SAF). The framework starts with a potential eligibility mapping - a quantitative mapping of an extensive taxonomy of revenue segments with the 17 UN SDGs. In the secondary alignment step, financial analysts and ESG analysts conduct rigorous bottom-up, qualitative and quantitative research on individual company to examine the alignment of each business segment to specific UN SDG sub-targets. A company must have at least 50% of its revenues positively aligned with one or more SDG to be considered aligned and all companies in the Sub-Fund must meet this threshold. In certain cases, operational factors or alternative proxies to revenue (e.g. loan book allocation in the case of financials) may be taken into account where these are highly material to advancing the SDGs.

Exclusion approach:
The Sub-Fund excludes issuers (corporate and/or other issuers) based on pre-defined criteria related to certain practices or involvement in certain activities (such as involvement in manufacturing of controversial weapons, and where applicable other types of controversial activities).More information about these pre-defined exclusion criteria are disclosed under https://am.vontobel.com/view/SEMLX#documents, and, if applicable, whether the exclusion applies to upstream, midstream/production or downstream activities, the revenue thresholds applied and potential exceptions considered. The exclusion criteria cover the exclusions set out in the Paris-Aligned Benchmarks Regulation.

Monitoring of critical controversies:
– The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

ESG integration:
– The Sub-Fund invests in securities of corporate issuers that pass the minimum "Minimum Standards Framework" ("MSF") score (set at 2.4 out of 5; on a scale from 1 to 5, with 1 being the worst and 5 being the best score), which is based on the Investment Manager's proprietary methodology. This score is sector-specific and supports a rigorous assessment of companies on their most material ESG issues, in terms of impact on future cash flows. These issues are translated into ca. 20-35 sustainability indicators (depending on the sector) and performance thresholds are predefined for each of these indicators. The Environment, Social and Governance pillars are weighted according to the relevance for each industry sector. In order to qualify for investment, the company must achieve an overall minimum score. By doing so, the Investment Manager seeks to identify and exclude companies that are worst prepared to meet and manage idiosyncratic shocks to which their sector is uniquely exposed or whose operational practices or products pose too great a risk to society or the environment.
– The Sub-Fund does not invest in securities of corporate issuers that have a "Fail Score". An issuer will be given a "Fail Score" by the Investment Manager when it fails the assessment on any of the sustainability indicators even if the issuer would otherwise attain a pass MSF mark.
– The Sub-Fund also does not invest in securities of corporate issuers that have an "F-Score" score. An issuer may also be given to existing holdings where a critical ESG event occurs. The Investment Manager has developed an "F-Score" framework to provide a clear decision tree to assess the real-world and business impact of incidents against evidence-based criteria. The Investment Manager has established hard rules for whether the finding leads to divestment or engagement. Companies that have an "F-score" are not eligible for investing and must be divested from. Thereby, there are hard redlines preventing investment in companies that have highly negative impact on society or the environment even where the business case is unaffected.

Carbon related commitments:
– The Sub-Fund will maintain a carbon footprint that is at least 20% lower than its benchmark (MSCI Emerging Markets Total Returns Net (USD)). The carbon footprint of the Sub-Fund and the issuers is calculated using the scope 1 and scope 2 GHG emissions of each invested company divided by the company's enterprise value including cash (EVIC).

Additionally, the Sub-Fund follows an active ownership approach, which takes into account relevant environmental, social and governance matters. The Investment Manager sees these activities as a way to support the attainment of the sustainable investment objective of the Sub-Fund. The Sub-Fund is covered by the engagement pool of the Investment Manager's stewardship program, which is mainly based on a collaboration with a stewardship partner. The Investment Manager has limited influence on the stewardship partner's engagement program. The Investment Manager has its own engagement strategy for the Sub-Fund designed to target the highest Sustainability Risks and negative Sustainability Factors to which it is exposed.

The securities will be analyzed based on the binding elements prior to investment and monitored on a continuous basis. The securities in the portfolio have their sustainability performance periodically revaluated using the above-described sustainability framework. If a security does not comply with the binding criteria described below, the Investment Manager divests from such an issuer within a time period to be determined by the Investment Manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions, and taking due account of the best interests of the shareholders. The Board of Directors or the Management Company of Vontobel Fund II may decide to further postpone the rectification of such a breach or decide to carry out the divestment in several instalments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***
  – The Sub-Fund invests in securities of corporate issuers that have at least 50% of their revenues (save where alternatives are used) derived from economic activities that are aligned with one or more of the UN SDGs, as evaluated using the UN SDG Alignment Framework (SAF), the Investment Manager's proprietary UN SDG evaluation framework.
  – Companies must achieve a qualifying ESG score under the Minimum Standard Frameworks ("MSFs") to qualify for investment (minimum is set at 2.4 out of 5). The objective of this pass mark is to avoid the worst in class companies on ESG performance. More information on the calculation method is available on https://am.vontobel.com/view/SEMLX#documents.
  – The Sub-Fund excludes securities of corporate issuers that derive a non-negligible part of their revenues from excluded products and/or activities referenced above under "Exclusion approach".
  – Companies must not have a "Fail Score" or an "F-Score", which is awarded where companies are involved in critical controversies that have highly negative impact on society or the environment. More information on the calculation method is available on https://am.vontobel.com/view/SEMLX#documents
  – The Sub-Fund excludes securities of issuers that are in violation of certain global norms and standards promoted by the Sub-Fund or that are exposed to critical controversies (unless the Investment Manager believes reasonable progress can be attained, for example, through active ownership activities). Such controversies may be related to environmental, social or governance issues.
  – The Sub-Fund will have a carbon footprint at least 20% lower than that of the benchmark (MSCI Emerging Markets Total Returns Net (USD)).
  – The application of the binding elements, as described above, leads to the exclusion of at least 20% of potential investments via the exclusions and UN SDG eligibility mapping applied to the starting universe, plus the further sustainability screening applied to the sub-set of potentially investible companies identified following the Investment Manager's financial modelling based on fundamental data.
  – The ESG analysis coverage will be guaranteed for 100% of the Sub-Fund's securities. The use of ESG data may be subject to methodological limits.

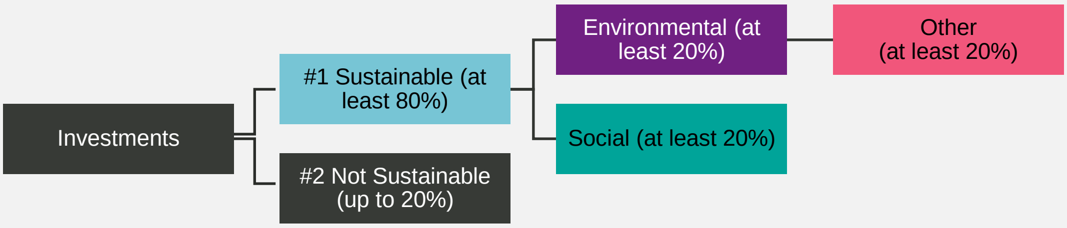
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***
  The Investment Manager will use its ESG framework, the MSF, to assess good governance practices of the investee companies. The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.
  The Sub-Fund further ensures good governance of the investee companies via active ownership. Key to this are engagement activities conducted directly by the Investment Manager, engagement activities conducted by the manager's specialist third-party engagement partner and voting activities, where the Investment Manager works with a proxy advisory firm and systematically considers all company ballots with ESG principles in mind.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation and the minimum share of sustainable investments?

The Sub-Fund is expected to invest at least 80% of its NAV in issuers that qualify as sustainable investments (#1 Sustainable), under normal market conditions.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The percentages indicated above refer to the Sub-Fund’s net asset value.

- ***How does the use of derivatives attain the sustainable investment objective?***
  Not applicable. Derivatives are not used for the purpose of attaining the sustainable investment objective.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The Sub-Fund does not commit to invest a minimum share in sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the Sub-Fund's minimum share of investments in environmentally sustainable economic activities in accordance with the EU Taxonomy regulation are indicated to be 0%.

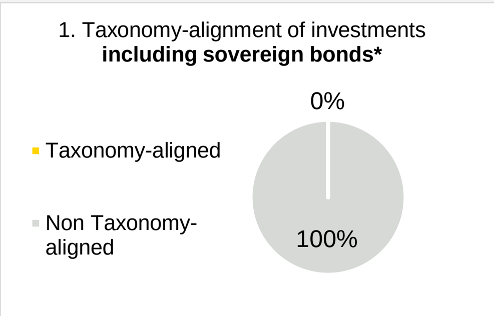
- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?***

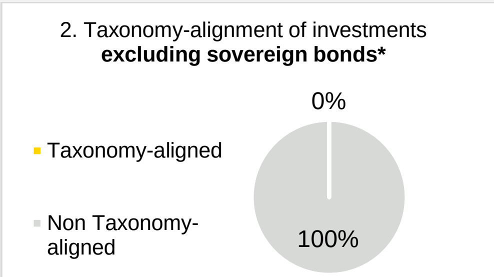
  ☐ Yes:

  ☐ In fossil gas ☐ In nuclear energy

  ☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents 100% of the total investments.

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- ***What is the minimum share of investments in transitional and enabling activities?***
  The Sub-Fund does not commit to invest a minimum share in sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the Sub-Fund's minimum share of investments in transitional and enabling activities in accordance with the EU Taxonomy regulation are indicated to be 0%.

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[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund does not commit to invest a minimum share in sustainable investments with an environmental objective that are aligned with the EU Taxonomy. The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is indicated to be 20%. For the avoidance of doubt, the indication of such minimum is not a binding commitment and does not prevent the Sub-Fund to hold and invest in sustainable investments with an environmental objective that are aligned with the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

The Sub-Fund will invest at least 20% in sustainable investments with a social objective.

What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund may hold ancillary liquidity (cash) to serve the payment of fees and expenses, payment of purchased securities, subscription monies, serve redemption requests. Additionally, the Sub-Fund may also use financial derivative instruments such as foreign exchange forwards to hedge currency risks. These instruments are not expected to detrimentally affect the delivery of the environmental and social characteristics.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://am.vontobel.com/view/SEMLX#documents, under “Sustainability Related Disclosures”.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

4 Annex "Environmental and/or social characteristics" to the Sub-Fund Vontobel Fund II – Duff & Phelps Global Listed Infrastructure

Pre-contractual disclosure annex for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Vontobel Fund II – Duff & Phelps Global Listed Infrastructure
Legal entity identifier: 222100JBMJE9TXV2DM84

Environmental and/or social characteristics

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●●	☐	**Yes**	●○	☒	**No**
☐	It will make a minimum of **sustainable investments with an environmental objective:** __%		☐	It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments	
	☐	in economic activities that qualify as environmentally sustainable under the EU Taxonomy		☐	with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
	☐	in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy		☐	with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
				☐	with a social objective
☐	It will make a minimum of **sustainable investments with a social objective:** ___%		☒	It promotes E/S characteristics, but **will not make any sustainable investments**	

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics and invests in issuers that the Investment Manager considers well-prepared to handle financially material environmental and social challenges.
The Sub-Fund has not designated a reference benchmark for the purpose of attaining the environmental and social characteristics that it promotes.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***
  - Percentage of investments in securities of corporate issuers that derive a non-negligible part of their revenues from products and/or activities excluded by the Sub-Fund (excluded products and/or activities are indicated under the investment strategy section)
  - Percentage of investments in issuers that are in violation of certain global norms and standards promoted by the Sub-Fund or that are exposed to critical controversies (unless the Investment Manager believes reasonable progress can be attained, for example, through active ownership activities). Such controversies may be related to environmental, social or governance issues.
  - Percentage of securities covered by ESG analysis

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

✖ Yes, the Investment Manager considers certain selected principal adverse impacts on sustainability factors in the following areas: controversial weapons, social matters and human rights.

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms may include: exclusion, active ownership, tilting.

Information on how principal adverse impacts on sustainability factors were considered will be made available in the periodic reporting of the Sub-Fund.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to attain the environmental and social characteristics, the Sub-Fund applies the following ESG framework: exclusion approach, monitoring of critical controversies.

Exclusion approach:
The Sub-Fund excludes issuers (corporate and/or other issuers) based on pre-defined criteria related to certain practices or involvement in certain activities (such as involvement in manufacturing of controversial weapons, and where applicable other types of controversial activities). More information about these pre-defined exclusion criteria are disclosed under https://am.vontobel.com/view/INFRA#documents, and, if applicable, whether the exclusion applies to upstream, midstream/production or downstream activities, the revenue thresholds applied and potential exceptions considered.

Monitoring of critical controversies:

– The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager’s investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

Additionally, the Sub-Fund follows an active ownership approach, which takes into account relevant environmental, social and governance matters. The Investment Manager sees these activities as a way to support the attainment of the environmental and social characteristics promoted by the Sub-Fund. The Sub-Fund is covered by the engagement pool of the Investment Manager’s stewardship program, which is mainly based on a collaboration with a stewardship partner. The Investment Manager has limited influence on the stewardship partner's engagement program.

The securities will be analyzed based on the binding elements prior to investment and monitored on a continuous basis. The securities in the portfolio have their sustainability performance periodically revaluated using the above-described sustainability framework. If a security does not comply with the binding criteria described below, the Investment Manager divests from such an issuer within a time period to be determined by the Investment Manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions, and taking due account of the best interests of the shareholders. The Board of Directors or the Management Company of Vontobel Fund II may decide to further postpone the rectification of such a breach or decide to carry out the divestment in several instalments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***
  – The Sub-Fund excludes securities of corporate issuers that derive a non-negligible part of their revenues from excluded products and/or activities referenced above under “Exclusion approach”.
  – The Sub-Fund excludes securities of issuers that are in violation of certain global norms and standards promoted by the Sub-Fund or that are exposed to critical controversies (unless the Investment Manager believes reasonable progress can be attained, for example, through active ownership activities). Such controversies may be related to environmental, social or governance issues.
  – At least 90% of the securities in the Sub-Fund are covered by the ESG analysis

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***
  The application of the binding elements, as described above, leads to the exclusion of at least 20% of the investments considered prior to the application of the investment strategy (i.e. global listed infrastructure investable universe).

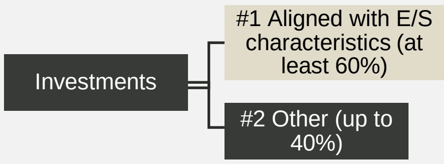
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***
  The Investment Manager will assess investee companies' good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance, by applying a critical controversies monitoring process. The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

What is the asset allocation planned for this financial product?

The Sub-Fund is expected to invest at least 60% of its NAV in issuers that qualify as aligned with E/S characteristics (#1 Aligned with E/S characteristics), under normal market conditions.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The percentages indicated above refer to the Sub-Fund's net asset value.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***
  Not applicable. Derivatives are not used for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to invest a minimum share in sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the Sub-Fund's minimum share of investments in environmentally sustainable economic activities in accordance with the EU Taxonomy regulation are indicated to be 0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?***

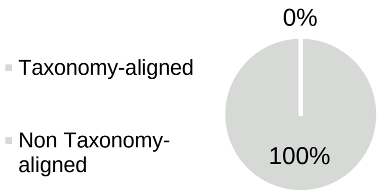
  ☐ Yes:

  ☐ In fossil gas ☐ In nuclear energy

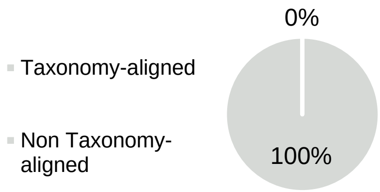
  ☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- ***What is the minimum share of investments in transitional and enabling activities?***

  The Sub-Fund does not partially intend to invest in sustainable investments, as defined by the SFDR. Therefore, the Sub-Fund's minimum share of investments in transitional and enabling activities in accordance with the EU Taxonomy regulation are indicated to be 0%.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

What is the minimum share of socially sustainable investments?

Not applicable.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund may hold ancillary liquidity and use financial derivative instruments for the purpose of hedging. While these instruments are not expected to detrimentally affect the attainment of the Sub-Fund's environmental and social characteristics, no minimum environmental or social safeguards are applied.

Other investments include also unscreened investments for diversification purposes or investments for which ESG data is lacking. For such instruments the monitoring process of critical controversies is applied.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://am.vontobel.com/view/INFRA#documents, under "Sustainability Related Disclosures".

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

5 Annex "Environmental and/or social characteristics" to the Sub-Fund Vontobel Fund II – Megatrends

Pre-contractual disclosure annex for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Vontobel Fund II – Megatrends
Legal entity identifier: 222100SVUS66GC1A1O71

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**	●○ ☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** __%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics and invests in issuers that the Investment Manager considers well-prepared to handle financially material environmental and social challenges. Issuers will be selected based on the Investment Manager's ESG framework.
The Sub-Fund has not designated a reference benchmark for the purpose of attaining the environmental and social characteristics that it promotes.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

- Percentage of investments in securities of corporate issuers that derive a non-negligible part of their revenues from products and/or activities excluded by the Sub-Fund Fund (excluded products and/or activities are indicated under the investment strategy section)
- Percentage of investments in securities of corporate issuers that pass the minimum MSCI ESG rating that has been set for this Sub-Fund (set at B)
- Percentage of investments in issuers that are in violation of certain global norms and standards promoted by the Sub-Fund or that are exposed to critical controversies (unless the Investment Manager believes reasonable progress can be attained, for example, through active ownership activities). Such controversies may be related to environmental, social or governance issues.
- Percentage of securities covered by ESG analysis

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?
Not applicable.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?
Not applicable.

How have the indicators for adverse impacts on sustainability factors been taken into account?
Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:
Not applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- [x] Yes, the Investment Manager considers certain selected principal adverse impacts on sustainability factors in the following areas: controversial weapons, social matters and human rights.

  The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

  Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms may include: exclusion, active ownership, tilting.

  Information on how principal adverse impacts on sustainability factors were considered will be made available in the periodic reporting of the Sub-Fund.

- [ ] No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to attain the environmental and social characteristics, the Sub-Fund applies the following ESG framework: exclusion approach, monitoring of critical controversies, screening.

Exclusion approach:
The Sub-Fund excludes issuers (corporate and/or other issuers) based on pre-defined criteria related to certain practices or involvement in certain activities (such as involvement in manufacturing of controversial weapons, and where applicable other types of controversial activities). More information about these pre-defined exclusion criteria are disclosed under https://am.vontobel.com/view/VTII3AM#documents, and, if applicable, whether the exclusion applies to upstream, midstream/production or downstream activities, the revenue thresholds applied and potential exceptions considered.

Monitoring of critical controversies:

– The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

Screening:

The Sub-Fund invests in securities of corporate issuers that pass the minimum ESG rating ((minimum is set at B, on a scale from AAA to CCC, with AAA being the best, and CCC being the worst rating), which is provided by a third-party ESG data provider selected by the Investment Manager (MSCI ESG). This model evaluates sector-specific environmental, social and governance criteria. The criteria refer to companies' actions and performance in relation to environmental protection in production, environmental product design, employee relations, environmental and social supply chain standards and management systems. The ESG model scores companies relative to the other companies in the related industry.

Additionally, the Sub-Fund follows an active ownership approach, which takes into account relevant environmental, social and governance matters. The Investment Manager sees these activities as a way to support the attainment of the environmental and social characteristics promoted by the Sub-Fund. The Sub-Fund is covered by the engagement pool of the Investment Manager's stewardship program, which is mainly based on a collaboration with a stewardship partner. The Investment Manager has limited influence on the stewardship partner's engagement program.

The securities will be analyzed based on the binding elements prior to investment and monitored on a continuous basis. The securities in the portfolio have their sustainability performance periodically revaluated using the above-described sustainability framework. If a security does not comply with the binding criteria described below, the Investment Manager divests from such an issuer within a time period to be determined by the Investment Manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions, and taking due account of the best interests of the shareholders. The Board of Directors or the Management Company of Vontobel Fund II may decide to further postpone the rectification of such a breach or decide to carry out the divestment in several instalments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***
  - The Sub-Fund excludes securities of corporate issuers that derive a non-negligible part of their revenues from excluded products and/or activities referenced above under "Exclusion approach".
  - The Sub-Fund excludes securities of issuers that are in violation of certain global norms and standards promoted by the Sub-Fund or that are exposed to critical controversies (unless the Investment Manager believes reasonable progress can be attained, for example, through active ownership activities). Such controversies may be related to environmental, social or governance issues.
  - The Sub-Fund invests in securities of corporate issuers that pass the minimum MSCI ESG rating that has been set for this Sub-Fund (set at B).
  - The ESG analysis covers at least 90% of the Sub-Fund's securities. The use of ESG data may be subject to methodological limits.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***
  Not applicable, the Sub-Fund does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

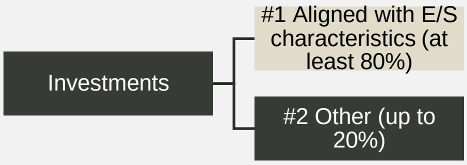
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***
  The Investment Manager will assess investee companies' good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance, by applying a critical controversies monitoring process. The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

What is the asset allocation planned for this financial product?

The Sub-Fund is expected to invest at least 80% of its NAV in issuers that qualify as aligned with E/S characteristics (#1 Aligned with E/S characteristics), under normal market conditions.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The percentages indicated above refer to the Sub-Fund's net asset value.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***
  Not applicable. Derivatives are not used for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to invest a minimum share in sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the Sub-Fund's minimum share of investments in environmentally sustainable economic activities in accordance with the EU Taxonomy regulation are indicated to be 0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?***

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

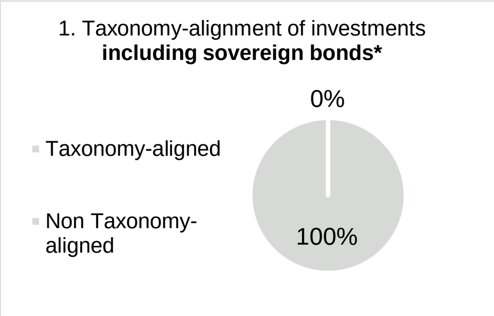
[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

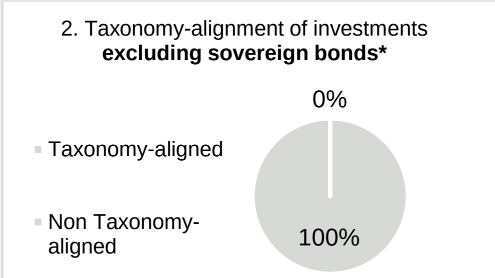
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents 100% of the total investments.

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- ***What is the minimum share of investments in transitional and enabling activities?***
  The Sub-Fund does not partially intend to invest in sustainable investments, as defined by the SFDR. Therefore, the Sub-Fund's minimum share of investments in transitional and enabling activities in accordance with the EU Taxonomy regulation are indicated to be 0%.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

What is the minimum share of socially sustainable investments?

Not applicable.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund may hold ancillary liquidity and use financial derivative instruments for the purpose of hedging. While these instruments are not expected to detrimentally affect the attainment of the Sub-Fund's environmental and social characteristics, no minimum environmental or social safeguards are applied.
Other investments include also unscreened investments for diversification purposes or investments for which ESG data is lacking. For such instruments the monitoring process of critical controversies is applied.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://am.vontobel.com/view/VTII3AM#documents, under “Sustainability Related Disclosures”