

Vontobel Fund – Global Equity

**Legal Document:
SFDR Website Disclosure for Article 8 financial products**

Summary

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.

In order to attain the environmental and social characteristics, the Sub-Fund applies the following ESG framework: exclusion approach, monitoring of severe controversies, carbon related commitments.

Exclusion approach:

The Sub-Fund excludes:

- securities of corporate issuers involved in products and activities related to: unconventional / controversial weapons (0%), coal (extraction/thermal, 10%), tobacco (5%), adult entertainment (10%). The percentage indicated reflect the revenue thresholds applied related to the production of such products and/or activities. For selected products and/or activities, additional limits apply as disclosed on the website.

Monitoring of severe controversies:

- The Sub-Fund promotes the adherence with certain international norms and standards by excluding issuers that are (i) in violation with these norms and standards or (ii) that are involved in severe controversies (such controversies may be related to environmental, social and/or governance issues). Unless, in either case, the Investment Manager has identified a positive outlook (for example through proactive response by the issuer, proportionate rectification measures already announced or taken, or through active ownership activities with reasonable promise of successful outcomes).

Carbon related commitments:

- The Sub-Fund financial product will maintain a weighted average Scope 1 and 2 greenhouse gas emissions (scope 1 emissions are defined by the Greenhouse Gas Protocol as those caused directly by an organization's activities while scope 2 emissions count indirect emissions resulting from an organization's energy consumption) intensity measured by CO₂e tons / \$1 million revenue that is lower than the weighted average of the investment universe. The investment universe is represented by the Sub-Fund's benchmark (MSCI All Country World Index TR net).

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 of the Sub-Fund.

The binding elements of the investment strategy used to select the investments to achieve the E/S characteristics promoted are as follows:

- The Sub-Fund excludes securities of corporate issuers that derive a non-negligible part of their revenues from excluded products and/or activities listed above.
- The Sub-Fund excludes securities of issuers that are in violation with certain international norms and standards promoted by the Sub-Fund or that are exposed to severe controversies (unless a positive outlook has been identified). Such controversies may be related to environmental, social or governance issues.
- The Sub-Fund will maintain a weighted average Scope 1 and 2 greenhouse gas emissions intensity measured lower than the weighted average of the investment universe. The investment universe is represented by the Sub-Fund's benchmark (MSCI All Country World Index TR net).
- The ESG analysis covers at least 90% of the Sub-Fund's securities for issuers whose registered office is located in developed market countries and for large cap companies, and 75% for issuers whose registered office is located in emerging market countries and for mid and small cap companies. The use of ESG data may be subject to methodological limits.

Finally, with effect from 1 January 2023, in an effort to measure the attainment of each of the E/S characteristics promoted, the Sub-Fund will report on the following sustainability indicators as part of its annual periodic reporting:

- 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 with certain international norms and standards promoted by the Sub-Fund or that are exposed to severe controversies (unless a positive outlook has been identified). Such controversies may be related to environmental, social or governance issues
- Sub-Fund's weighted average carbon intensity compared to the investment universe. The investment universe is represented by the Sub-Fund's benchmark (MSCI All Country World Index TR net).
- Percentage of securities covered by ESG analysis

No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment.

Environmental or social characteristics of the financial product

What are the environmental or social characteristics 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.

Investment strategy

What investment strategy does this financial product follow to select the investments to attain the environmental and social characteristics, and what are the binding elements of this investment strategy?

In order to attain the environmental and social characteristics, the Sub-Fund applies the following ESG framework: exclusion approach, monitoring of severe controversies, carbon related commitments.

Exclusion approach:

The Sub-Fund excludes:

- securities of corporate issuers involved in products and activities related to: unconventional / controversial weapons (0%), coal (extraction/thermal, 10%), tobacco (5%), adult entertainment (10%). The percentage indicated reflect the revenue thresholds applied related to the production of such products and/or activities. For selected products and/or activities, additional limits apply as disclosed on the website.

The exclusion listed below are applied with the revenue thresholds indicated¹:

EXCLUSION	CRITERIA	EXCEPTIONS APPLIED?
Sector/business activity-based exclusions		
Adult entertainment	Production: 10% of revenue Downstream: 10% of revenue	None.
Coal (thermal)	Production: 10% of revenue Power generation: 10% of revenue	None.
Tobacco	Production: 5% of revenue	None.
Unconventional / controversial weapons	Upstream: 0% of revenue Production: 0% of revenue Downstream: 0% of revenue	None.

¹ The Investment Manager may apply exclusions to any three parts of the value chain or a combination. For example, Upstream could be financing including significant ownership of activities in the sector. Downstream could be distribution of products and services from the sector. The categories 'Upstream', 'Production', and 'Downstream' are used in the European ESG Template, and are included in this report for consistency.

Monitoring of severe controversies:

- The Sub-Fund promotes the adherence with certain international norms and standards by excluding issuers that are (i) in violation with these norms and standards or (ii) that are involved in severe controversies (such controversies may be related to environmental, social and/or governance issues). Unless, in either case, the Investment Manager has identified a positive outlook (for example through proactive response by the issuer, proportionate rectification measures already announced or taken, or through active ownership activities with reasonable promise of successful outcomes).

Carbon related commitments:

- The Sub-Fund financial product will maintain a weighted average Scope 1 and 2 greenhouse gas emissions (scope 1 emissions are defined by the Greenhouse Gas Protocol as those caused directly by an organization's activities while scope 2 emissions count indirect emissions resulting from an organization's energy consumption) intensity measured by CO2e tons / \$1 million revenue that is lower than the weighted average of the investment universe. The investment universe is represented by the Sub-Fund's benchmark (MSCI All Country World Index TR net).

Binding elements:

The binding elements of the investment strategy used to select the investments to achieve the E/S characteristics promoted are as follows:

- The Sub-Fund excludes securities of corporate issuers that derive a non-negligible part of their revenues from excluded products and/or activities listed above.
- The Sub-Fund excludes securities of issuers that are in violation with certain international norms and standards promoted by the Sub-Fund or that are exposed to severe controversies (unless a positive outlook has been identified). Such controversies may be related to environmental, social or governance issues.
- The Sub-Fund will maintain a weighted average Scope 1 and 2 greenhouse gas emissions intensity measured lower than the weighted average of the investment universe. The investment universe is represented by the Sub-Fund's benchmark (MSCI All Country World Index TR net).
- The ESG analysis covers at least 90% of the Sub-Fund's securities for issuers whose registered office is located in developed market countries and for large cap companies, and 75% for issuers whose registered office is located in emerging market countries and for mid and small cap companies. The use of ESG data may be subject to methodological limits.

What is the policy to assess good governance practices of the investee companies²?

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 severe controversies monitoring process. The Sub-Fund excludes securities of issuers that are (i) in violation with the norms and standards promoted by the Sub-Fund or (ii) that are involved in severe controversies, including those related to governance matters. Unless, in either case, the Investment Manager has identified a positive outlook (i.e. through proactive response by the issuer, proportionate rectification measures already announced or taken, or through active ownership activities with reasonable promise of successful outcomes).

Does the financial product consider Principal Adverse Sustainability Impacts? If yes, which areas/indicators are considered and how?

Yes No

The Investment Manager considers the list of principal adverse impacts on sustainability factors mentioned in the table below.

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.

² including with respect to sound management structures, employee relations, remuneration of staff and tax compliance

The following *Principal Adverse Sustainability Impacts* Indicators³ are considered in the investment strategy:

TABLE # PRINCIPAL ADVERSE IMPACT INDICATOR

Greenhouse gas emissions		
1	1	Total GHG emissions (scope 1 and 2)
1	1	Scope 1 GHG emissions
1	1	Scope 2 GHG emissions
Controversial weapons		
1	14	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
Social and employee rights		
1	10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
1	13	Broad gender diversity

Proportion of investments

What is the asset allocation planned for this financial product?

INVESTMENTS	PERCENTAGE (OF NET ASSETS)	TYPE OF EXPOSURES
#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.	At least 67%	Only through direct exposures
#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.	Up to 33%	Only through direct exposures

Under “#2 Other”, 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 severe controversies is applied.

Derivatives are not used for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The attainment of the environmental and social characteristics is measured through the following list of sustainability indicators:

- 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 with certain international norms and standards promoted by the Sub-Fund or that are exposed to severe controversies (unless a positive outlook has been identified). Such controversies may be related to environmental, social or governance issues
- Sub-Fund’s weighted average carbon intensity compared to the investment universe. The investment universe is represented by the Sub-Fund’s benchmark (MSCI All Country World Index TR net).
- Percentage of securities covered by ESG analysis

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

The information used for the implementation of the ESG framework, and consequently the attainment of the environmental and social characteristics, are reviewed on a regular basis.

³ As set out in Table 1, 2 and 3 of Annex 1 of Regulation (EU) 2022/1288

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 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.

Compliance with the binding elements applied by this Sub-Fund is monitored by the investment teams. For the elements that are in scope of the Sub-Fund's investment guidelines and subject to investment controls, the internal Investment Control unit has post-trade checks mechanisms in place. The independent Investment Control team conducts a daily post-trade review of portfolios using our portfolio management system. Should Investment Control and the respective portfolio manager fail to agree whether a breach has actually occurred (e.g. in case of a different interpretation of regulatory investment restrictions), Compliance analyses the case and then informs Investment Control of its assessment, which then follows up accordingly. The pre- and post-trade checks are parametrized either based on data retained directly from third-party ESG data provider or from the Investment Manager directly, especially where the followed approaches are based on proprietary methodologies of the Investment Manager. For documented ESG processes and controls, first line of defence controls are confirmed and self-assessed annually by the business owners via the Operation Risk and Control Self-Assessment (RCSA) process. The RCSA process is a systematic and regular business process aimed at reviewing specific inherent operational risks that Asset Management investments are exposed to, as well as an assessment of the control environment that is in place to mitigate those risks. Second line functions like Compliance carry out spot checks on some first line of defence controls.

Methodologies

What are the methodologies used for the implementation of the ESG framework?

Exclusion approach:

The Investment Manager retains data from third party data provider in order to analyze an issuer's exposure to activities excluded by the Sub-Fund, based on pre-defined thresholds. In order to qualify for initial investment, the issuer must not breach any of these exclusion criteria.

Monitoring of severe controversies:

The Sub-Fund promotes the adherence with certain international norms and standards by excluding issuers that are (i) in violation with these norms and standards or (ii) that are involved in severe controversies (such controversies may be related to environmental, social and/or governance issues). Issuer's exposure to violations of these international norms or involvement in severe controversies is analyzed by the Investment Manager based on third-party data providers, namely MSCI ESG and Sustainalytics. These two data providers serve as a first source and are also used for the parametrization of pre and post-trade checks. The Investment Manager may, upon detailed review, disagree with their evaluation. Such reviews are analyzed by the internal risk management team. Additionally, the Investment Manager may not exclude the issuers if a positive outlook has been identified, for example through proactive response by the issuer, proportionate rectification measures already announced or taken, or through active ownership activities with reasonable promise of successful outcomes.

Carbon related commitments:

The Sub-Fund will maintain a weighted average Scope 1 and 2 greenhouse gas emissions (scope 1 emissions are defined by the Greenhouse Gas Protocol as those caused directly by an organization's activities while scope 2 emissions count indirect emissions resulting from an organization's energy consumption) intensity measured by CO₂e tons / \$1 million revenue that is lower than the weighted average of the investment universe. The investment universe is represented by the Sub-Fund's benchmark (MSCI All Country World Index TR net).

Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

The following data sources are used for the implementation of the investment process:

- External ESG data providers: MSCI ESG, Sustainalytics
- Information directly provided by the issuers

In order to ensure data quality, the Investment Manager:

- Regularly reviews data
- Uses multiple data sources
- May directly engage with the issuers when data gaps occur

The data sources mentioned above are used in order to implement the following approaches: exclusion approach, monitoring of severe controversies, carbon related commitments,

The Investment Manager may make reasonable estimates, when data is lacking. Additionally, third party ESG data provider may use estimates themselves. The proportion of data that is estimated by the Investment Manager is indicated to be low to medium, depending on the data type.

Limitations to methodologies and data

What are the limitations to the methodologies and data sources?

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. This poses a significant methodological limit to the ESG strategy of the Sub-Fund. Neither the Sub-Fund, nor the management company nor the investment manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness, or completeness of an assessment of ESG research and the correct execution of the ESG strategy.

In order to maintain confidence that social and environmental characteristics are met, the investment manager may also engage with investees in order to fill data gaps or may use complimentary data from additional providers or directly from investee disclosures.

Due diligence

What is the due diligence carried out on the underlying assets at initial investment and what are the internal and external controls in place?

In order to qualify for initial investment, the investments aligned with the environmental and social characteristics must comply with the binding elements applied by the Sub-Fund. This compliance has to be ensured by the Investment Manager. For the elements that are in scope of the Sub-Fund's investment guidelines and subject to investment controls, the internal Investment Control unit has pre-trade checks mechanisms in place. The pre-trade checks allow portfolio managers to simulate trades and check each trade against restrictions, prior to placing orders, in order to prevent the occurrence of breaches. When submitting orders an automated check of the investment guidelines restrictions is performed, generating a warning to the portfolio managers, highlighting potential breaches that would materialize in case the orders would be executed.

Engagement policies

Is engagement part of the environmental or social investment strategy?

Yes No

If so, what are the engagement procedures?

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 of the Sub-Fund.

The Sub-Fund uses active stewardship. This involves continuous deep dive research and ongoing engagement to understand factors and in some instances effect change. The Sub-Fund utilizes a customized proxy voting to leverage engagement. The Sub-Fund runs periodic thematic campaigns on portfolio wide ESG topics.

Designated reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

Yes No