

Vontobel Fund – TwentyFour Absolute Return Credit Fund

An easy to understand, long-only, unlevered fund that targets the very best risk-adjusted returns within fixed income.



Chris Bowie
Partner,
Portfolio Management
Industry experience since 1992.



Gordon Shannon
Partner,
Portfolio Management
Industry experience since 2007.

“Short term bond funds should be simple, safe, and come with no surprises. With strict limits on risk, this fund aims to deliver some of the best risk-adjusted returns in all of fixed income”

Investment opportunity

ARC is designed to be a low risk fund for investors seeking a cash alternative or as part of a balanced portfolio looking to efficiently deploy risk budgets. The Fund aims to maximise returns with a low level volatility through the investment in short duration IG bonds sourced globally. The fund is actively managed, globally focussed does not adhere to a benchmark for geographical weightings and will invest in opportunities wherever we think the value can be best found.

Investment objective

Aims to achieve a positive absolute return in any market environment over a period of three years by keeping a modest level of volatility.

Why invest?



A minimum of two-thirds of the fund is invested in 0-5yr investment grade bonds, which we consider the best source of risk-adjusted returns within fixed income.



Smaller high conviction allocations to BB rated high yield, asset-backed securities (ABS) and 6-7yr investment grade bonds.

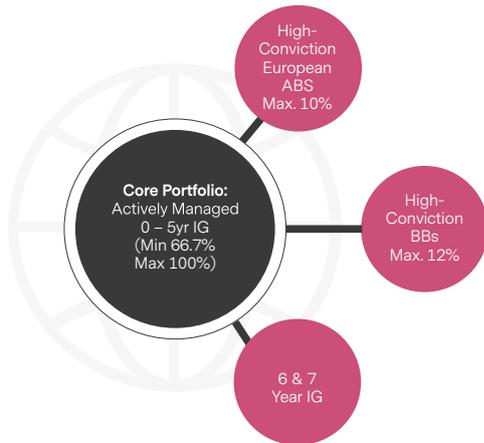


A strong emphasis on stock selection seeking to generate alpha and further manage risks. All bond positions must pass a rigorous screening process to show they have good return potential with low expected volatility.



We use zero leverage or shorting, and when allocating our mix of assets we choose to avoid emerging markets and high yield bonds rated below BB (the highest rating band in HY).

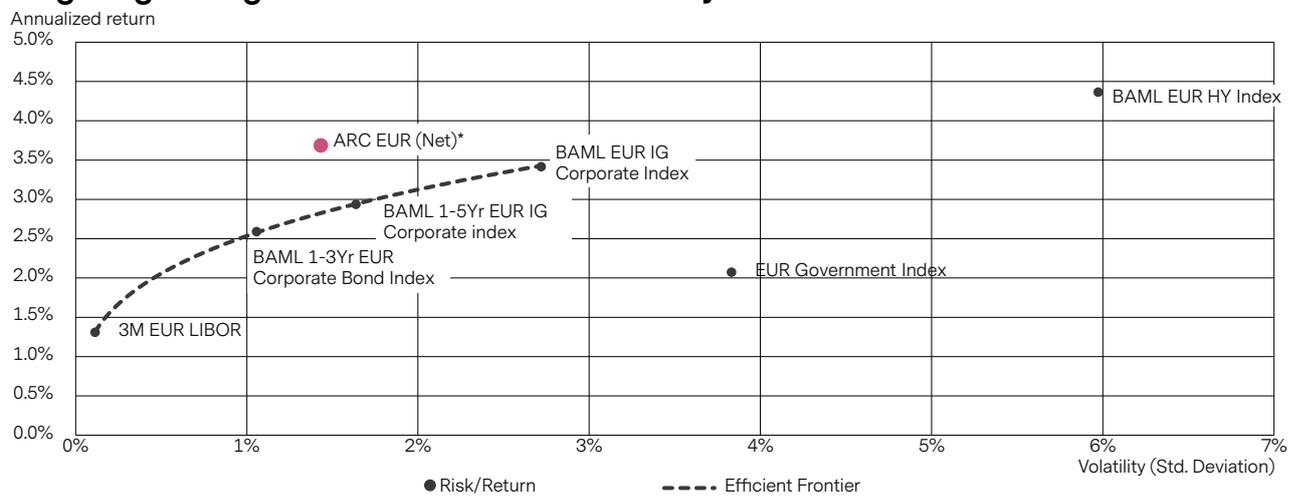
A core of short dated investment grade bonds



Our research showed historically these assets can consistently generate strong returns with very low volatility. We therefore find them to be the best sources of consistently high Sharpe ratios.

Disclaimer: Research based on optimal model index analysis. Simulated past performance is not a reliable indicator of future performance and does not represent actual trading. It is not possible to invest directly into an index.

Targeting strong returns but with low volatility



Actual and simulated (back tested) past performance are not reliable indicators of current or future performance. The fund performance figures are shown on a mid-to-mid basis inclusive of net reinvested income and net of all fund expenses. Performance data does not take into account any commissions and costs charged when shares of the fund are issued and redeemed, if applicable. The return of the fund may go down as well as up due to changes in exchange rates. It is not possible to invest into an index and they will not be actively managed. Simulated performance has inherent limitations and one should take into consideration the limitations of the model applied, please refer to the Important Information section for further details on the assumptions used and risks associated. Source: TwentyFour, Bloomberg. Data analysed for the period from 31 December 1999 to 26 February 2023; volatility for the fund is since launch on 25 August 2015.

Investment team



Chris Bowie
Partner,
Portfolio Management
Industry experience since 1992.



Gordon Shannon
Partner,
Portfolio Management
Industry experience since 2007.



Graeme Anderson
Chairman,
Partner,
Portfolio Management
Industry experience since 1986.



Jack Daley
Portfolio Management
Industry experience since 2011.



Johnathan Owen
Portfolio Management
Industry experience since 2018.

Risks

- Limited participation in the potential of single securities.
- Success of single security analysis and active management cannot be guaranteed.
- It cannot be guaranteed that the investor will recover the capital invested.
- Derivatives entail risks relating to liquidity, leverage and credit fluctuations, illiquidity and volatility.
- Interest rates may vary, bonds suffer price declines on rising interest rates.
- High-yield bonds (non-investment-grade bonds/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated bonds.
- The Sub-Fund's investments may be subject to sustainability risks. The sustainability risks that the Sub-Fund may be subject to are likely to have an immaterial impact on the value of the Sub-Fund's investments in the medium to long term due to the mitigating nature of the Sub-Fund's ESG approach.
- The Sub-Fund's performance may be positively or negatively affected by its sustainability strategy.
- The ability to meet social or environmental objectives might be affected by incomplete or inaccurate data from third-party providers.
- Information on how environmental and social objectives are achieved and how sustainability risks are managed in this Sub-Fund may be obtained from [Vontobel.com/SFDR](https://www.vontobel.com/SFDR).

Further information and literature:
Vontobel Asset Management S.A.
[am.vontobel.com](https://www.vontobel.com)

Important Information

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This document is for information purposes only and does not constitute an offer, solicitation or recommendation to buy or sell shares of the fund/fund units or any investment instruments, to effect any transactions or to conclude any legal act of any kind whatsoever. Subscriptions of shares of the fund should in any event be made solely on the basis of the fund's current sales prospectus (the "Sales Prospectus"), the Key Investor Information Document ("KIID"), the Key Information Document ("KID") (as applicable), its articles of incorporation and the most recent annual and semi-annual report of the fund and after seeking the advice of an independent finance, legal, accounting and tax specialist. This document is directed only at recipients who are institutional clients, such as eligible counterparties or professional clients as defined by the Markets in Financial Instruments Directive 2014/65/EC ("MiFID") or similar regulations in other jurisdictions, or as qualified investors as defined by Switzerland's Collective Investment Schemes Act ("CISA").

Past performance is not a reliable indicator of current or future performance. Performance data does not take into account any commissions and costs charged when shares of the fund are issued and redeemed, if applicable. The return of the fund may go down as well as up, e.g. due to changes in rates of exchange between currencies. The value of the money invested in the fund can increase or decrease and there is no guarantee that all or part of your invested capital can be redeemed.

To simulate annualized returns for the period prior to fund launch, we took the annualised actual net total return for the fund and compared this with the BAML/ICE 1-3yr EUR IG index. The excess fund performance, i.e. the alpha, was then applied to the BAML/ICE 1-3yr EUR IG index's performance for the period 31 December 1999 to 28 August 2015. This applies the assumption that the outperformance achieved since launch would have on average been replicated for the full period analysed.

Historical market and/or economic conditions were not taken into account when constructing the model. If these variables were considered, performance history and other material aspects of the model would be impacted and adjusted accordingly. When interpreting the result, one should always take into consideration the limitations of the model applied. One of the limitations of hypothetical performance results is that they are prepared with the benefit of hindsight. In addition, it does not involve financial risk; account for the risk associated with actual trading; and security selection methodology can be adjusted until past returns are maximized. Alternative modelling techniques or assumptions might produce significantly different results and prove to be more appropriate. Unlike the results shown in an actual performance record, these results do not represent actual trading. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results. No client of the adviser has achieved the results provided herein nor should it be inferred that any portfolio managed by the adviser will perform in the manner as outlined.

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. As investors may have different views regarding what constitutes sustainable investing or a sustainable investment, the fund may invest in issuers that do not reflect the beliefs and values of any specific investor.

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