

Periodic disclosure 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 - Green Bond (FF_00064)

Legal entity identifier: 529900SFUVZHB2Y5U19

Sustainable investment objective

Did this financial product have a sustainable investment objective?

Yes

No

It made **sustainable investments with an environmental objective: 98.46%**

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

It made **sustainable investments with a social objective: ____%**

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments

with an environmental objective in economic activities that 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 promoted E/S characteristics, but **did not make any sustainable investments**

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent was the sustainable investment objective of this financial product met?

The sustainable investment objective of the Sub-Fund was met. The Sub-Fund's sustainable investment objective consisted of investing in debt instruments issued for projects and/or by issuers that contributed to pre-defined so called "Impact Pillars", with an environmental focus, based on the Investment Manager's assessment. Environmental Impact Pillars (clean and renewable energy, energy efficiency, resource efficiency, low-carbon transportation, agriculture and forestry as well as climate resilient infrastructure) were the primary focus of the Sub-Fund (at least 80% of the Sub-Fund's assets). In order to attain the sustainable investment objective, the Sub-Fund invested 98.46% of its assets in green bonds (sustainable investments with an environmental objective). Through these

investments, the Sub-Fund invested in sustainable investments with an environmental objective as defined by the EU Taxonomy. These objectives were: "climate change mitigation", "climate change adaptation", "sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control", "protection and restoration of biodiversity and ecosystems". The Taxonomy alignment of sustainable investments was established based on reports provided by the issuers. The Sub-Fund also invested in environmentally sustainable investments that were not Taxonomy-aligned because the Investment Manager only used reported alignment data from issuers, not considering estimates provided by third-party data providers; the EU Taxonomy technical screening was still incomplete for climate change mitigation and adaptation and did not cover all environmental objectives (the remaining 4 objectives) as of the reporting date, the Investment Manager therefore performed additional analysis of the issuers. For the Sub-Fund, the Investment Manager only selected green bonds backed by a second party opinion, financing projects that contribute to the Sub-Fund's Impact Pillars. 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.

● **How did the sustainability indicators perform?**

Sustainability Indicator	Value	Comment
Percentage of investments in green bonds	100%	
Percentage of investments in social and/or sustainability bonds	0%	
Percentage of investments in debt instruments that are not green, social or sustainability bonds, but that are issued by issuers that contribute to an environmental and/or social objective	0%	
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	0%	Excluded products and /or activities are indicated under the investment strategy section of the pre-contractual disclosure annex
Percentage of investments in securities of sovereign issuers with substantial UN or international sanctions	0%	
Percentage of investments in securities of issuers that are in violation of 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	0%	
Percentage of securities covered by ESG analysis	100%	

● **... and compared to previous periods ?**

Sustainability Indicator	August 31, 2022
Percentage of investments in green bonds	N/A

Sustainability Indicator	August 31, 2022
Percentage of investments in social and/or sustainability bonds	N/A
Percentage of investments in debt instruments that are not green, social or sustainability bonds, but that are issued by issuers that contribute to an environmental and/or social objective	N/A
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	N/A
Percentage of investments in securities of sovereign issuers with substantial UN or international sanctions	N/A
Percentage of investments in securities of issuers that are in violation of 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	N/A
Percentage of securities covered by ESG analysis	N/A

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.

● **How did the sustainable investments not cause significant harm to any 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 principal adverse impacts indicators 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 were the indicators for adverse impacts on sustainability factors taken into account?*

For the sustainable investments that the Sub-Fund made, the Investment Manager took into account the indicators for adverse impacts on sustainability factors by applying the following process: The Investment Manager applied a process to identify the investments' exposure to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. Where no reliable third-party data was available, the Investment Manager made reasonable estimates or assumptions. No investment was identified as having a critical and poorly managed impact in one of the considered principal adverse impacts areas.

- *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Sub-Fund has a controversy monitoring process in place, that among others takes into account the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This process is based on third party data and may be complemented by the Investment Manager's own ESG research capabilities. The Sub-Fund excludes issuers that are (i) in violation of the norms and standards (defined under the investment strategy section) promoted by the Sub-Fund ; (ii) involved in severe controversies. 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).



How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Manager considered all mandatory principal adverse impacts indicators on sustainability factors and any relevant additional adverse impact indicators: controversial weapons (Table 1 – PAI indicator 14: Exposure to controversial weapons), social matters and human rights (Table 1 – PAI indicator 10: Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), climate and other environment-related indicators (Table 1 – PAI indicator 1: GHG emissions (Scope 1 and 2), Scope 1 GHG emissions, Scope 2 GHG emissions, Scope 3 GHG emissions, Total GHG emissions (Scope 1, 2, and 3), PAI indicator 2: Carbon footprint, PAI indicator 3 GHG: Intensity of investee companies, PAI indicator 4: Exposure to companies active in the fossil fuel sector, PAI indicator 5: Share of non-renewable energy consumption and production, PAI indicator 6: Energy consumption intensity per high impact climate sector, PAI indicator 7: Activities negatively affecting biodiversity-sensitive areas, PAI indicator 8: Emissions to water, PAI indicator 9: Hazardous waste and radioactive waste ratio, and for sovereigns PAI indicator 15: GHG intensity), and social and employee rights (PAI indicator 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, PAI indicator 12: Unadjusted gender pay gap, PAI indicator 13: Board gender diversity, and for sovereigns PAI indicator 16: Investee countries subject to social violations). The Investment Manager applied a process to identify issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research and/or external data sources, including ESG data providers, news alerts, and the issuers themselves. No investment was identified as having a critical and poorly managed impact in any of the principal adverse impacts areas considered.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: August 31, 2023

Largest investments	Sector	% Assets	Country
European Union	Supranational organisations	4.54	Belgium
Madrid	Cantons, federal states, counties, provinces etc.	4.01	Spain
Credit Agricole Italia	Banks & other credit institutions	3.50	Italy
Acciona	Energy & water supply	3.49	Spain
Verbund	Energy & water supply	3.15	Austria
European Investment Bank	Supranational organisations	2.98	Luxembourg
Orsted	Energy & water supply	2.87	Denmark
Energias de Portugal Finance	Financial, investment & other diversified comp.	2.75	Netherlands
E.ON	Energy & water supply	2.68	Germany
European Investment Bank	Supranational organisations	2.58	Luxembourg
Tennet	Financial, investment & other diversified comp.	2.55	Netherlands
E.ON	Energy & water supply	2.54	Germany
Kreditanstalt für Wiederaufbau	Banks & other credit institutions	2.42	Germany
Alliander	Energy & water supply	2.38	Netherlands
Red Electrica	Financial, investment & other diversified comp.	2.36	Spain



What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

The proportion of sustainability-related investments was 98.46% (sustainable investments).

● What was the asset allocation?



98.46% of investments were sustainable investments (#1 Sustainable)

#1 Sustainable (98.46%); #1A Sustainable - Environmental (98.46%); #1A Sustainable - Environmental EU Taxonomy aligned (46.42%) , of which 45.77% is aligned with the EU Taxonomy objective Climate Change Mitigation, and 0.65% is aligned with the EU Taxonomy objective Climate Change Adaptation; #1A Sustainable -Other environmental (52.04%); #2 Not sustainable (1.54%)

● **In which economic sectors were the investments made?**

Economic sector	
Energy & water supply	47.88
Supranational organisations	16.60
Financial, investment & other diversified comp.	12.82
Banks & other credit institutions	5.92
Cantons, federal states, counties, provinces etc.	4.01
Telecommunication	3.23
Petroleum/Oil and natural gas	2.25
Electrical appliances & components	2.12
Insurance companies	1.48
Traffic & Transportation	1.14
Countries & central governments	1.01

50.13% of the total value of investments (NAV) were in companies involved in sectors that could be connected to fossil fuels, like "Energy & water supply", "Mining, coal & steel" or "Petroleum/Oil and natural gas". It's important to note that even companies categorized under different sectors might still have some involvement with fossil fuel-related activities, even if it's not their main focus. Also, the Sub-Fund invested in bonds labeled as green bonds. These bonds typically fund projects unrelated to fossil fuels, even if the companies issuing them can be active in sectors with potential links to fossil fuels.

The high fossil fuel exposure of the Sub-Fund can be explained as follows: the Sub-Fund aims to maximize the amount of CO₂e avoided. Hence, the Investment Manager only invests in green bonds with a measurable impact on the transition to a low-carbon economy and favors those projects that correspond to the long-term vision of a low carbon and climate resilient future. Within the green bond universe, the Investment Manager favors securities where the proceeds are applied to finance/refinance the most impactful projects in order to maximize the amount of CO₂e avoided. The utility/energy sector accounts for approximately 82% of Europe's total CO₂e emissions. The Investment Manager thinks that green bonds from the utility sector therefore offer the highest potential to reach the above-mentioned goal although the utility sector is to a certain extent exposed to fossil fuel, be it via the transmission of gas or via the electricity mix.

Increasing the amount of very impactful projects resulted in the increase of exposure in the utility space and therefore in an increase of the exposure of fossil fuels at the issuer level. As the Sub-Fund exclusively holds green bonds, this fossil fuel exposure is overcompensated by the amount of avoided CO₂e emissions at the project level.



To what extent were the 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.

Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

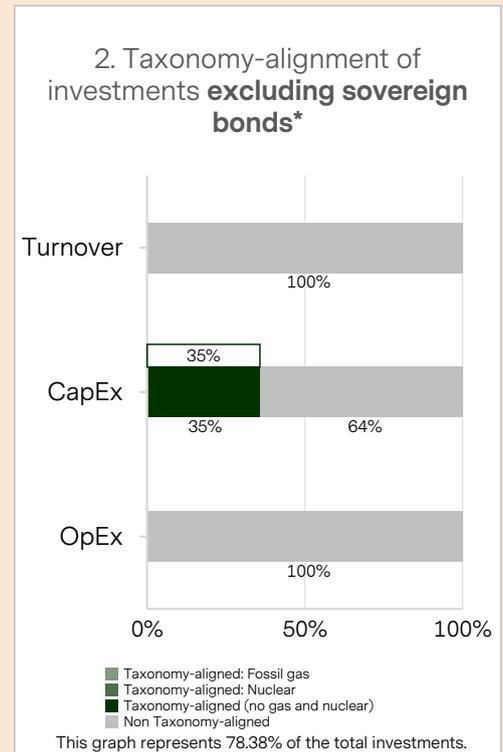
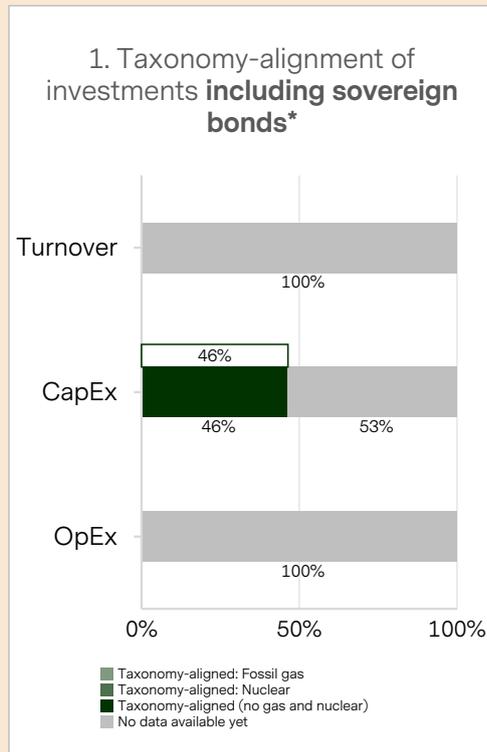
- Yes:
- In fossil gas In nuclear energy
- No

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 objectives -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.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were 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

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.

● **What was the share of investments made in transitional and enabling activities?**

Activities	Investment share
transitional	0.00%
enabling	0.00%

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Period	Investment share
August 31, 2022	0.00%

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Investment share
52.04%



What was the share of socially sustainable investments?

Investment share
0.00%



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Investments	Purpose	Minimum of environmental or social safeguards
Cash (0.87%)	Liquidity management	No minimum environmental or social safeguards were applied.
Derivatives (0.67%)	Hedging	No minimum environmental or social safeguards were applied.



What actions have been taken to meet the sustainable investment objective during the reference period?

The binding elements of the investment strategy used for the selection of sustainable investments have been monitored throughout the reporting period.



How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The financial product has not designated a reference benchmark to determine whether this financial product is aligned with its sustainable investment objective.