Periodic disclosure 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 - mtx Sustainable Emerging Markets Leaders (FS_00090)

Legal entity identifier: 529900KEWYHVCFD90291

Environmental and/or social characteristics

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.

Did this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It made **sustainable investments with an environmental 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 35.90% 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 made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by the Sub-Fund were met and all binding criteria complied with. The Sub-Fund promoted environmental and social characteristics by employing several safeguards and evaluating all equity investments against sustainability criteria with hard thresholds required to be met for inclusion. The Investment Mangager further promoted environmental and social criteria with an extensive ESG engagement and voting program. Integrating sustainability criteria is a central pillar in the investment process with the aim of improving the long-term risk-return characteristics of the Sub-Fund's portfolio and supporting elevated social or environmental practices by the investee companies.

The Investment Manager is motivated by the understanding that its investments have the potential to affect society and the environment, and that such investments are affected by society and the environment. The Sub-Fund invested in issuers that the Investment Manager considered well-prepared to handle financially material environmental and social challenges, having satisfied minimum pass ESG scores as well as sectoral and norms-based exclusions. It also exceeded its commitments related to carbon emissions. 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.

How did the sustainability indicators perform?

Sustainability Indicator	Value	Comment
1) 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
2) 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). Also covers Percentage of securities covered by ESG analysis.	100%	The Sub-Fund holds Alrosa, which has a below threshold ESG score. Due to sanctions, the position cannot yet be traded and the Investment Manager therefore awaits an opportunity to sell the position. However, as it has no weight in the fund it does not impact the value shown.
3) Percentage of investments in companies evaluated as having an overriding Fail Score under the “Minimum Standards Framework”	0%	
4) Percentage of investments in companies with an F-Score evaluated under the F-Score Framework, the Investment Manager's proprietary tool for evaluating severe controversies	0%	As above, Alrosa has a fail score but cannot be sold. The investment in Alrosa has been written off and therefore has no fund weight and no impact on the value to the left.
5) Percentage of investments in companies that have breached key international norms and standards or are involved in very severe controversies (aka Critical ESG Events)	0%	During the reporting period, there were two potential breaches of UNGC standards, relating to Tencent and Luxshare. This triggered intensive review of the allegations, extensive engagement with the company and other stakeholders.

Sustainability Indicator	Value	Comment
		The cases were referred to the Investment Manager's ESG Audit Committee who opined that the allegations by one ESG rater were not substantiated.
6) Percentage of investments in UN Sanctioned Countries	0%	
7) 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 reference benchmark (MSCI Emerging Markets TR net).	Sub-Fund carbon footprint : 23.58. Benchmark footprint: 66.22 The Sub-Fund's footprint was 64% below that of its reference benchmark	The Sub-Fund commits to maintaining a carbon footprint that is at least 20% lower than its reference benchmark.
8) Companies’ carbon footprint, including Scope 1 and 2 GHG emissions normalized by EVIC is compared to the reference benchmark. The Investment Manager then reports on the number of companies who are in the top 30% relative to their reference benchmark and report on these weighted holdings (excluding cash) as representing the Sub-Fund’s percentage of sustainable investments.	35.9%	Threshold required is 15%
9) Percentage of potential investments excluded via the top-down exclusions applied to the starting universe plus via the sustainability screening applied in a bottom-up approach to the smaller sub-set of companies that passed the fundamental, financial assessment.	7% of companies were excluded via screening (5% from business activities screens and 2% from global norms screening). 32.8% of companies failed the ESG screening by Investment Manager's Analysts	7% and 32.8% can't be summed as they are taken from different lists. ESG analysis is only conducted on the narrower universe of companies that have passed fundamental screens

… and compared to previous periods ?

Sustainability Indicator	year ending on August 31, 2022
1) 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
2) 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). Also covers Percentage of securities covered by ESG analysis.	N/A
3) Percentage of investments in companies evaluated as having an overriding Fail Score under the “Minimum Standards Framework”	N/A
4) Percentage of investments in companies with an F-Score evaluated under the F-Score Framework, the Investment Manager's proprietary tool for evaluating severe controversies	N/A
5) Percentage of investments in companies that have breached key international norms and standards or are involved in very severe controversies (aka Critical ESG Events)	N/A
6) Percentage of investments in UN Sanctioned Countries	N/A
7) 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 reference benchmark (MSCI Emerging Markets TR net).	N/A

Sustainability Indicator	year ending on August 31, 2022
8) Companies' carbon footprint, including Scope 1 and 2 GHG emissions normalized by EVIC is compared to the reference benchmark. The Investment Manager then reports on the number of companies who are in the top 30% relative to their reference benchmark and report on these weighted holdings (excluding cash) as representing the Sub-Fund's percentage of sustainable investments.	N/A
9) Percentage of potential investments excluded via the top-down exclusions applied to the starting universe plus via the sustainability screening applied in a bottom-up approach to the smaller sub-set of companies that passed the fundamental, financial assessment.	N/A

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The objective of the Sub-Fund's partial sustainable investments strategy is to support climate change mitigation and the transition to the low-carbon economy by identifying issuers that are in the lowest 30% of carbon footprint (sc.1+2) relative to their reference benchmark and maintaining a carbon footprint that is at least 20% lower than that of its reference benchmark. The Sub-Fund exceeded its targets by holding 35.9% of issuers with lowest (smallest 30%) carbon footprint, as against a commitment of 15%. The Sub-Fund's total carbon footprint was 64% below that of its Benchmark, and thus it also exceeded its goal to beat the benchmark by 20%. Calculation approach is provided in the pre-contractual disclosures.

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 that the financial product partially made 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 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 partially 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 (PAI) 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 PAI areas. The Investment Manager identified 11 companies with PAI flags using the PAI thresholds established for PAIs that the Sub-Fund considers. In one case, the flag (high hazardous waste) was evaluated as well-managed. In eight cases, the PAI flag(s) were covered in the Investment Manager's direct engagement plan. Two cases related to no female board directors, in one the Investment Manager expressed their discontent via AGM votes, in the other an opportunity to vote has not yet arisen. There were two potentially critical flags, a UNGC fail evaluation by one of the ESG rating houses used (one relating to alleged forced labor and the other to breach of human rights in the digital context). In both cases this triggered extensive research and engagement with multiple stakeholders (including NGOs, brokers, ESG raters and, naturally, extensively with the companies in question). The conclusion of this research was presented to the Investment Manager's ESG Audit Committee. The Committee upheld the view of the research team that in both cases the UNGC fail evaluation was not upheld (in agreement with the other ESG rating house that the Investment Manager refers to). In one case the UNGC fail view was later over-turned by the rater itself. In the other, the Investment Manager felt improvements could still be made and so pursued an extensive direct and collective engagement strategy. Following which, the company showed notable improvements, including becoming a UNGC signatory.

- *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).

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 Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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

The Investment Manager considered a set of principal adverse impacts on sustainability factors in the following areas: all of Table 1 – PAI indicators 1 to 14, except 6 and 12 (PAI 5 only applies to companies flagged under PAI 1) and PAI Table 3 indicator 14 (number of severe human rights issues and incidents). 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. Where an issuer was identified by the Investment Manager as having a critical and poorly managed impact in one of the principal adverse impacts areas considered, the Investment Manager used active ownership to promote better management of the risk (as further described above).

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
Taiwan Semiconductor Manufacturing ADR	Electronics & semiconductors	6.75	Taiwan
Samsung Electronics	Electronics & semiconductors	5.66	Korea, Republic Of
Alibaba Group Holding	Internet, software & IT services	4.39	Cayman Islands
Tencent Holdings	Internet, software & IT services	4.17	Cayman Islands
HDFC Bank	Banks & other credit institutions	4.15	India
Kia	Vehicles	3.38	Korea, Republic Of
Samsung Engineering	Electrical appliances & components	3.02	Korea, Republic Of

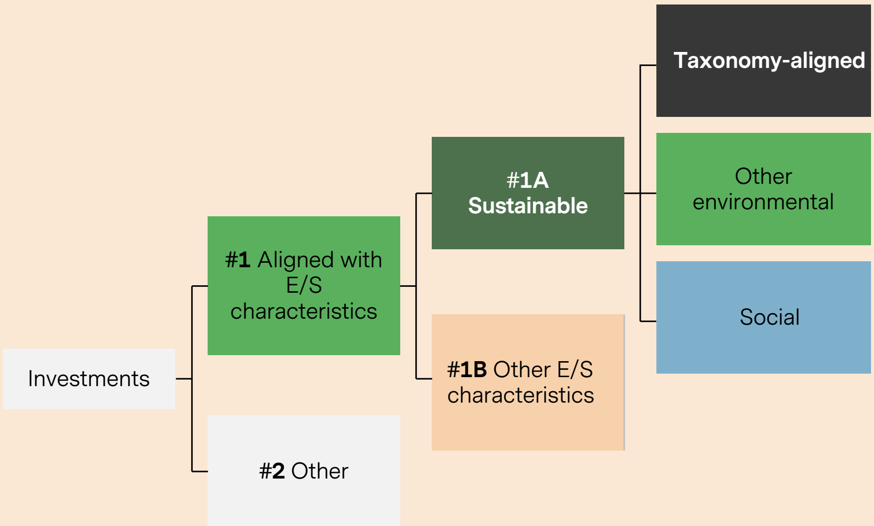
Largest investments	Sector	% Assets	Country
PT Bank Mandiri Persero TBK	Banks & other credit institutions	2.78	Indonesia
Ping An Insurance 'H'	Insurance companies	2.55	China
Focus Media Information Technology 'A'	Computer hardware & networking	2.53	China
BYD 'H'	Electronics & semiconductors	2.44	China
State Bank Of India	Banks & other credit institutions	2.39	India
NARI Technology 'A'	Mechanical engineering & industrial equip.	2.37	China
Prio	Petroleum/Oil and natural gas	2.23	Brazil
Taiwan Semiconductor Manufacturing	Electronics & semiconductors	2.20	Taiwan

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 99.26% (assets aligned with environmental and social characteristics).

What was the asset allocation?



#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.

99.26%	of the investments of the financial product were used to attain the environmental and social characteristics (#1 Aligned with E/S characteristics)
35.90%	of investments were sustainable investments (#1A Sustainable). These sustainable investments were included under assets aligned with E/S characteristics (#1 Aligned with E/S characteristics)

#1A Sustainable - Other environmental (35.9%); #2 Other (0.74%)

In which economic sectors were the investments made?

Economic sector	
Electronics & semiconductors	21.97
Banks & other credit institutions	14.38
Internet, software & IT services	12.64
Electrical appliances & components	9.65
Insurance companies	7.36
Petroleum/Oil and natural gas	4.36
Computer hardware & networking	4.25
Vehicles	3.38
Financial, investment & other diversified comp.	3.18
Real estate	2.81
Mechanical engineering & industrial equip.	2.37
Lodging & catering ind., leisure facilities	2.08
Packaging industries	1.80
Graphics, publishing & printing media	1.72
Tobacco & alcoholic beverages	1.56
Telecommunication	1.47
Miscellaneous consumer goods	1.44
Building materials & building industry	1.41
Textiles, garments & leather goods	1.13
Non-ferrous metals	0.30

4.36% 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.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonimy, 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 Taxonomy[1]?

☐ Yes:

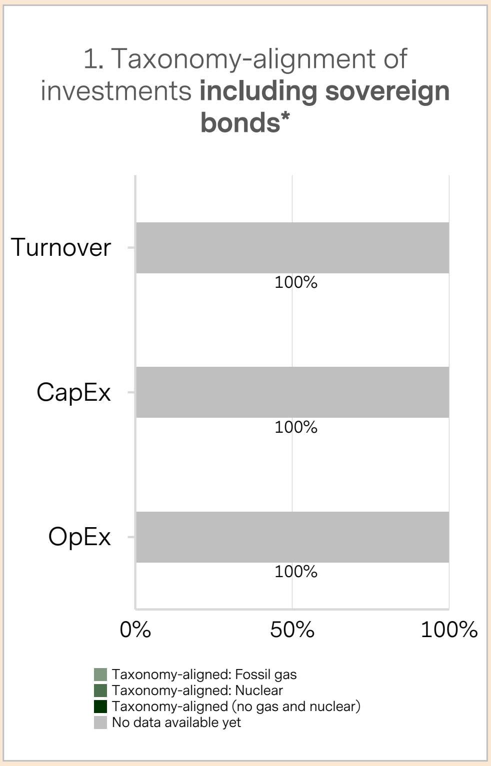
☐ In fossil gas ☐ In nuclear energy

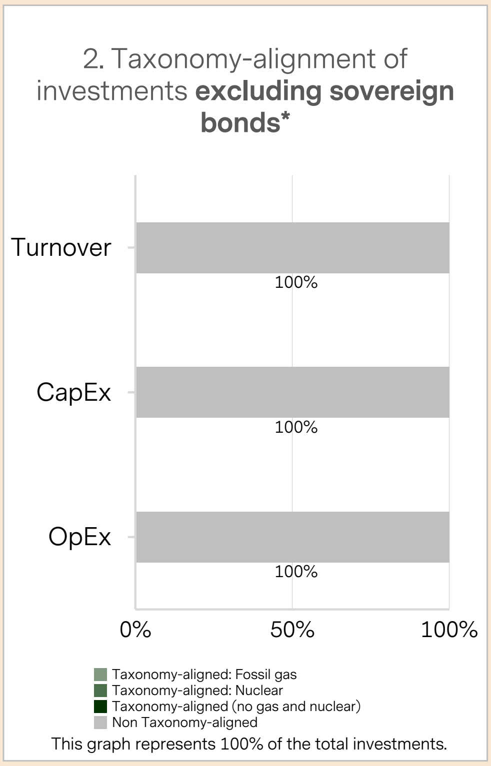
☒ No

[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 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.

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

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 investments made in transitional and enabling activities?

Activities	Investment share
transitional	0.00%
enabling	0.00%

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%

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

Investment share
35.90%

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
0.74%	Cash - liquidity	not relevant

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The binding elements of the investment strategy used for the selection of the investments to attain the environmental and/or social characteristics promoted by this Sub-Fund have been monitored throughout the reporting period. To support the promotion of environmental and social characteristics, the Investment Manager engages actively on voting and engagement on areas of sustainability related-risks. The Sub-Fund has an engagement coverage of 43% (based on engagement during the reporting period, for holdings as at August 31, 2023) of its holdings via the direct engagement of the Investment Manager and its third party specialist engagement partner. The Investment Manager also has a dedicated process to actively vote on all company ballots following review by financial and ESG analysts, incorporating sustainability considerations where relevant. The Sub-Fund thereby voted in 100% (106 meetings) in the reporting period (a de-minimis figure, <2%, is sometimes rejected for technical reasons).

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 the environmental and/or social characteristics that it promotes.