

DATE

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Top 5 Execution Venue Reporting of Vontobel Asset Management AG

1. Preface

On 15 April 2014, the European Commission and the European Parliament adopted the amended version of the Markets in Financial Instruments Directive (MiFID II). Securities firms in the European Union must comply with the Directive, which came into force on 3 January 2018.

Vontobel Asset Management AG is an asset manager with its registered office in Switzerland. It is therefore licensed and regulated by the Swiss Financial Market Supervisory Authority FINMA. Since Switzerland is not a member of either the EU or the EEA it is not obliged to implement MiFID II. Hence MiFID II does not apply directly to Vontobel Asset Management AG.

Nevertheless, as a licensed and supervised asset manager, in our services we will apply the standards that are stipulated by MiFID II and which will probably be included in Swiss law in the Financial Services Act (FinSA). In view of the current status of the legislative process, FinSA is expected to come into effect in 2019 at the earliest.

2. Best Execution

All brokers mentioned in this Top 5 Execution Venue Reporting have successfully passed the Due Diligence as outlined in Vontobel Asset Management AG's Policy "External Counterparties in Asset Management" and have been approved by Vontobel Asset Management Broker Committee.

Vontobel Asset Management AG requires its brokers according to its Best Execution Policy to obtain the best possible results for its clients, considering the following elements:

- Price, in terms of the executed price of the transaction;
- Costs, in terms of explicit costs including fees, commissions and implicit costs;
- Likelihood of execution, in terms of the single case ability to execute the order;
- Likelihood of settlement, in terms of the likelihood of the completion of the transaction;
- Size and nature of the order, in terms of volume and structure of the order concretely affecting the execution price;
- Speed, in terms of the time taken to execute an order;
- any other factors relevant to the execution of an order.

2/6 Vontobel Asset Management AG does not apply different best execution criterias for different categories of clients according to MiFID II (professional / retail investors).

Vontobel Asset Management AG is required to appoint only brokers or counterparties which have policies and procedures in place to ensure best execution. This particularly applies also to the Central Execution Desk of Bank Vontobel AG as Vontobel Asset Management AG's main broker, which has published its own best execution Policy, which is as well available on Vontobel's web-site. In case of third party brokers or counterparties, the best execution policy of the respective financial institution will apply.

3. Conflict of Interest

Conflicts of interest generally arise when two or more parties have conflicting interests while at the same time being bound by a duty of due diligence or loyalty towards one another other. Consequently, conflicts of interest may arise within the Vontobel Group or with other third parties (such as brokers or other financial institutions) connected to Vontobel Group or our clients.

Additional information on handling conflicts of interest is also available on our web-site.

3.1. Conflict of interest within Vontobel Group

Since Bank Vontobel AG acts as custodian of a lot of client portfolios most of Vontobel Asset Management AG's orders are executed through Bank Vontobel AG as main broker. Bank Vontobel AG as well as Vontobel Asset Management AG are both fully owned subsidiaries of Vontobel Holding AG, Zurich. The execution of trades with Bank Vontobel AG based on internal standard processes increases the likelihood and quality of execution and settlement which leads to lower operational risk. Moreover, Bank Vontobel AG covers global market access for institutional clients and related comprehensive services, in a modular structure, along the entire value chain - from execution, global custody, payment transactions and securities master data all the way through to custodian services. Furthermore, routing orders via the Central Execution Desk of Bank Vontobel AG to third party brokers or counterparties might lead to lower actual costs per order.

3.2. Conflict of interest associated with third parties

MiFID II requires among other things that financial service providers disclose their costs for research to the client and that they decide how these costs are to be covered. Vontobel Asset Management AG decided to make its cost structure more transparent and to pay financial research services from its own profit and loss and generally not to pass to pass such the costs on fund or client portfolios.

4. Fixed Income and Derivatives (Financial Futures)

Broker	Volume traded % of total in asset class
Bank Vontobel	53.24%
Societe Generale	23.67%
Morgan Stanley	8.47%
Landesbank Baden-Württemberg	3.63%
BNP Paribas	3.51%

Bank Vontobel

Vontobel Asset Management AG does not have an own trading desk. Beside some specific markets the large part of fixed income orders were executed through Bank Vontobel AG's central execution desk. Among the criteria to obtain the best possible result for clients or investors, the price, in terms of the executed price of the transaction is of most importance. Moreover, Bank Vontobel AG is the custodian of a lot of the client portfolios, thereby increasing the likelihood and quality of execution and settlement of Fixed Income related transactions.

3/6 **Société Générale**

Second most volume was traded via Société Générale, which is Prime Broker for fixed income derivative trades of a lot of our larger Fixed Income portfolios. When executing orders for its clients, Société Générale follows its best execution policy.

Morgan Stanley

Another part of the fixed incomederivative trades for specific portfolios were executed with Morgan Stanley, offering competitive pricing and good settlement quality important to complete those kind of transactions. When executing orders Morgan Stanley follows its best execution policy.

Landesbank Baden-Württemberg

Part of our derivative trades were executed on client request with Landesbank Baden-Württemberg.. Landesbank Baden-Württemberg is at the same time custodian for some client portfolios. When executing orders Landesbank Baden-Württemberg follows its best execution policy.

BNP Paribas

Part of our derivative trades for specific portfolios were executed with BNP Paribas on client request. When executing orders BNP Paribas follows its best execution policy.

5. Money Market and Foreign Exchange

Broker	Volume traded % of total in asset class
Royal Bank of Canada	44.56%
UBS	25.73%
Bank of America	7.59%
Morgan Stanley	3.94%
Bank Vontobel	3.02%

Royal Bank of Canada

Royal Bank of Canada is the custodian of various investment funds of our Equity, Fixed Income and Multi Asset fund portfolios managed by Vontobel Asset Management AG. In order to increase the likelihood and quality of execution and settlement, especially for Foreign Exchange (FX) transactions, a large part of our money market and FX transactions were executed with Royal Bank of Canada. When executing orders Royal Bank of Canada follows its best execution policy.

UBS

A lot of our money market and FX orders were executed with UBS for larger Fixed Income portfolios. UBS was in this context also Prime Broker for FX trades of specific Fixed Income client portfolios and custodian of a lot of our client portfolios in general. When executing orders UBS follows its best execution policy.

Bank of America

Part of our money market and especially FX trades for specific portfolios were executed with Bank of America. When executing orders, Bank of America follows its best execution policy.

Morgan Stanley

A minor part of our money market and FX trades were executed with Morgan Stanley offering competitive pricing and good settlement quality important to complete those kind of transactions. When executing orders for its clients, Morgan Stanley follows its best execution policy.

4/6 **Bank Vontobel**

Vontobel Asset Management AG does not have its own trading desk. Part of our money market and FX orders were executed through Bank Vontobel AG's Central Execution desk. Bank Vontobel AG is the custodian of a lot of our client portfolios, thereby increasing the likelihood and quality of execution and settlement.

6. Equities

Broker	Volume traded % of total in asset class
Bank Vontobel	70.19%
Morgan Stanley	10.70%
BNP Paribas	3.35%
Raiffeisen Centrobank	2.76%
Landesbank Baden-Württemberg	2.55%

Bank Vontobel

Vontobel Asset Management AG does not have an own trading desk. A large part of our equity orders were executed through Bank Vontobel AG's Central Execution desk. Bank Vontobel AG is the custodian of a lot of our client portfolios, thereby increasing the likelihood and quality of execution and settlement as well as the completion of transactions.

Morgan Stanley

Part of our equity trades for specific portfolios were executed with Morgan Stanley offering competitive pricing and overall good service. When executing orders Morgan Stanley follows its best execution policy.

BNP Paribas

Part of our equity trades for specific portfolios were executed with BNP Paribas on client request. When executing orders BNP Paribas follows a best execution policy.

Raiffeisen Centrobank

Part of our equity trades for specific portfolios were executed with, Raiffeisen Centrobank on client request. When executing orders Raiffeisen Centrobank follows its best execution policy.

Landesbank Baden-Württemberg

Part of our equity trades for specific portfolios were executed with, Landesbank Baden-Württemberg on client request. Landesbank Baden-Württemberg was at the same time custodian for those portfolios. When executing orders Landesbank Baden-Württemberg follows a best execution policy.

7. Commodities

Broker	Volume traded % of total in asset class
JP Morgan	65.03%
Macquarie Group	15.84%
UBS	11.20%
Societe Generale	3.12%
Morgan Stanley	2.03%

5/6 **JP Morgan**

JP Morgan with respect to offered commodity specific solutions, underlyings and trading access times as well as fees charged provides the best overall result of the top 5 brokers mentioned above. When executing orders JP Morgan follows its best execution policy.

Macquarie

Macquarie with respect to execution costs and efficiency of execution over time as well as the overall service quality (reaction time - especially in busy periods, accuracy, timely reporting) provides outstanding results. When executing orders Macquarie follows its best execution policy.

UBS

UBS with respect to offered commodity specific solutions, underlyings and trading access times as well as the overall service quality (reaction time - especially in busy periods, accuracy, timely reporting) provides above average results. When executing orders UBS follows its best execution policy.

Societe Generale

Societe Generale with respect to execution costs and efficiency of execution over time as well as fees provides comparably high results. When executing orders Societe Generale follows its best execution policy.

Morgan Stanley

Morgan Stanley with respect to its offering, execution costs and efficiency of execution over time, fees charged and overall service provided overall ranks amongst the best. When executing orders Morgan Stanley follows its best execution policy.

8. Alternatives

Broker	Volume traded % of total in asset class
Bank Vontobel	90.28%
Banque Pictet	2.32%
Credit Suisse	1.30%
Julius Baer	0.90%
Goldman Sachs	0.83%

Bank Vontobel

Vontobel Asset Management AG does not have an own trading desk. A large part of Alternatives related orders were executed through Bank Vontobel AG's Central Execution desk. Bank Vontobel AG is the custodian of a lot of our Alternatives related portfolios, thereby increasing the likelihood and quality of execution and settlement.

Banque Pictet

Part of our alternative trades, especially hedge funds, were bought and sold via Banque Pictet as custodian for those portfolios. When executing orders Banque Pictet follows its best execution policy.

Credit Suisse

Part of our alternative trades, especially hedge funds, were bought and sold via Credit Suisse as custodian for those portfolios. When executing orders Credit Suisse follows a best execution policy.

6/6 **Julius Baer**

Part of our alternative trades, especially hedge funds, were bought and sold via Julius Baer as custodian for those portfolios. When executing orders Julius Baer follows its best execution policy.

Goldman Sachs

Part of our alternative trades, especially hedge funds, were bought and sold via Goldman Sachs. When executing orders Goldman Sachs follows its best execution policy.

Disclaimer

MiFID II best execution rules required for investment firms like Vontobel Asset Management AG per specific financial instrument classes dedicated information about the Top 5 Execution Venues. This Top 5 Execution Venue Reporting is the first report for Vontobel Asset Management AG and therefore not all criteria's for such reports are applicable. Since the Top 5 Broker Reporting started for the first time in April 2018 a substantial number of orders in financial instruments have not initially been allocated to the respective brokers or financial institutions and to the class of instruments as defined by MiFID II. Consequently the retrospective allocation of orders was performed on a best effort basis and therefore it cannot be ensured that data quality is fully given in 2017.

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