

### **Vontobel Asset Management AG Statement of Commitment**

Sustainable and Responsible Investing (SRI) is an essential part of the strategic positioning and behaviour of Vontobel Asset Management AG. We have been involved in SRI since 2001 and welcome the European SRI Transparency Code.

This is our seventh statement of commitment and covers the period from 01.08.2016 to 31.07.2017. Our full response to the European SRI Transparency Code can be accessed below and is available in the annual report of the retail funds and on our website.

### **Vontobel Asset Management AG Compliance with the Transparency Code**

Vontobel Asset Management AG is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate.

Vontobel Asset Management AG meets the full recommendations of the European SRI Transparency Code.

31. August 2015

### **Transparency Code**

<b>Section 1. Basic Details</b>	
<b>The fund management company</b>	
1a	<p><b>Provide the name of the fund management company managing the fund(s) to which this code applies.</b></p> <p>Firm name: Vontobel Asset Management AG            Address: Gotthardstrasse 43, CH-8022 Zurich, Switzerland            Phone: +41 58 283 71 50            Fax: +41 58 283 71 51            E-Mail: <a href="mailto:asset.management@vontobel.ch">asset.management@vontobel.ch</a>            Website: <a href="http://vontobel.com/am">vontobel.com/am</a></p>
1b	<p><b>Describe the general approach of the fund management company with regards to how it takes environmental, social and governance (ESG) criteria into consideration.</b></p> <p>Vontobel's ESG investment philosophy is embedded in Vontobel's Group Sustainability Guidelines:</p> <ul style="list-style-type: none"> <li>▪ When advising our clients, we focus on their long-term satisfaction.</li> <li>▪ We are responding to a growing demand among clients by offering innovative investment services that take account of the opportunities and risks related to sustainability.</li> </ul>

In practice, we offer a range of sustainable investing equity funds, as well as thematic investment funds some of which derive the investment opportunity from themes closely related to sustainable development (e.g. clean energy, energy efficiency, and clean technology). As of December 2015, 4.7% of total assets under management are sustainable investment products.

***Is the fund management company approach towards ESG criteria aligned or inspired by its corporate social responsibility approach?***

Yes. Vontobel's sustainability strategy encompasses both sustainable investment and corporate social responsibility. Further information is available online at:

<https://www.vontobel.com/INT/EN/Vontobel-Group-Sustainability-Reporting>

***Has the fund management company signed the Principles for Responsible Investment?***

Yes. The Vontobel RI transparency report is available on the UN PRI website:

[www.unpri.org](http://www.unpri.org)

***Is the fund Manager a signatory or a member of other international and/or national initiatives supporting SRI practices?***

Vontobel is a signatory to the Carbon Disclosure Project, Climate Change, Water and Forest Programmes: [www.cdp.net](http://www.cdp.net).

Vontobel is a founding member and active partner of Swiss Sustainable Finance (SSF), [www.sustainablefinance.ch](http://www.sustainablefinance.ch), a platform to promote sustainability in the Swiss financial market, and to strengthen Switzerland's position as a leading worldwide centre for sustainable finance. Vontobel has supported the setup of the organization by hosting it in the first 1.5 years of its existence. Moreover, Vontobel participates in the promotion and development of sustainable investment through its membership with the Italian Forum per la Finanza Sostenibile, [www.finanzasostenibile.it](http://www.finanzasostenibile.it).

Vontobel is also a founding member of the Climate Foundation Switzerland (for energy-efficient project financing), [www.klimastiftung.ch](http://www.klimastiftung.ch), Oebu (a think-tank for environmentally conscious management), [www.oebu.ch](http://www.oebu.ch), as well as the Energy Agency for the Economy (EnAW), [www.enaw.ch](http://www.enaw.ch), a business association with the aim of enhancing energy efficiency among its members and encouraging them to reduce their CO2 emissions

***Has the fund management company established an ESG engagement policy?***

Yes. Vontobel works with Hermes Equity Ownership Services (HEOS) - a leading provider of voting and engagement services - to cultivate a dialogue on critical ESG issues with the companies for equities held in the sustainable and theme funds. At present, Vontobel's engagement policy covers the sustainable and theme equity funds.

Further information is available online at:

<https://www.vontobel.com/CH/EN/Vontobel-Group-Sustainability-Sustainable-Investments>

***Has the fund management company established a voting policy?***

Yes. The voting rights for all of Vontobel's sustainable investment funds and theme funds are actively exercised. Vontobel works with Hermes Equity Ownership Services (HEOS) to ensure the exercising of voting rights and the cultivation of a dialogue with these companies.

In the case of the other Luxembourg-domiciled investment funds managed by Vontobel Management S.A., the voting rights for all equity positions where the funds hold a significant stake (at least 3%) of the issuer's share capital are exercised in accordance with the corporate governance recommendations of the European Fund and Asset Management Association.

In the case of equity positions held by the Swiss sustainable investment fund managed by Vontobel Fonds Services AG, research produced by HEOS is incorporated into the voting process.

Further information is available online at:  
<https://www.vontobel.com/CH/EN/Vontobel-Group-Sustainability-Sustainable-Investments>

**Describe how the fund management company or the group contributes to the promotion and the development of SRI.**

Vontobel is convinced that stability, economic success and responsibility go hand in hand. For this reason, Vontobel is committed to the principle of sustainability. The principles governing sustainable practices are firmly anchored in Vontobel's Sustainability Guidelines, and implemented under the guidance of the Vontobel Sustainability Committee headed by CEO Zeno Staub.

In addition to our promotion of sustainability funds and membership of sustainable investment organisations, Vontobel also endeavours to promote the development of sustainable investing in other ways. To this end, Vontobel is an active member of different work groups of the associations mentioned above.

Further information is available online at:  
<https://www.vontobel.com/CH/EN/Vontobel-Group-Sustainability-Sustainability-Strategy>

**Describe/List your SRI products and the specific resources allocated to your SRI activities.**

Vontobel Fund	ISIN	Inception date	Domicile	Legal form	SRI strategy
mtx Sustainable Global Leaders	LU0848325378 ("B" class)	14.12.2012	Luxembourg	SICAV	ESG Integration
mtx Sustainable Asian Leaders (Ex Japan)	LU0384409263 ("B" class)	17.11.2008	Luxembourg	SICAV	ESG Integration
mtx Sustainable Emerging Markets Leaders	LU0571085413 ("B" class)	15.07.2011	Luxembourg	SICAV	ESG Integration
Sustainable Swiss Equity	CH0046922354 ("A" class)	17.11.2008	Switzerland	Contractual fund	Exclusion criteria and ESG Integration

1c

Vontobel's sustainable funds are actively managed equity funds investing in attractively valued companies which fulfil Vontobel's sustainability criteria. They have an integrated investment approach with equity analysts researching ESG factors alongside financial analysis, and a multi-step sustainability analysis.

The Sustainable Swiss Equity Fund is covered under a separate submission due to its slightly different approach including more exclusion criteria (German language only).

Vontobel also manages the Raiffeisen Futura range of funds based on a strict sustainability approach with an investment universe defined by Inrate. These funds are intended to meet the needs of investors who have a more traditional approach to SRI, preferring exclusions over integrated analysis of ESG issues. These funds are also covered in a separate transparency statement, as they are based on a different investment approach.

Vontobel also manages three Global Trends funds that do not have a formal, systematic approach to ESG integration, but have strong links to environmental themes and therefore take relevant ESG issues into account in the course of their fundamental research: New Power, Clean Technology and Future Resources.

In addition to the managed equity funds, Vontobel also offers private clients a portfolio management mandate that takes account of sustainability criteria and is broadly diversified

	<p>across several asset classes.</p> <p><u>Resources:</u></p> <p>The Global Thematic Equities team responsible for managing the sustainable and thematic funds currently comprises 18 people who are directly involved with research, analysis, and portfolio management of sustainable investments. An organisational chart is shown in appendix 1.</p> <p>The investment team utilises third party sources such as broker, industry and sustainability research, including sell-side brokers, independent industry research such as Bloomberg New Energy Finance, and specialist sustainability research provided by Vigeo, MSCI ESG Research (GMI Analyst) and Hermes EOS. In all cases the external research supplements the analysts' own proprietary research and is not a prime determinant of an investment decision.</p> <p>In addition to the investment team, several people are involved in activities such as active ownership and sustainable investment initiatives, alongside their other responsibilities. It is important to note that these activities are integrated into the regular activities of the Group and therefore many more people are involved with or aware of Vontobel's sustainable investments in an indirect way.</p> <p>The ESG Investment Committee defines the ESG philosophy and policy within Vontobel Asset Management and determines the framework for all boutiques and products. Members include investment professionals from the Equity team, Fixed Income team, Balanced team, Fund Research team and the ESG specialists (the Vontobel Asset Management ESG Representative and the ESG Consultant).</p> <p>The corporate Sustainability Management ensures the continuous development of the company's sustainability strategy. It coordinates projects and activities within the Vontobel Group regarding sustainability issues such as environment-friendly operations, diversity or CSR. Furthermore, Corporate Sustainability Management is in charge of coordinating and implementing the measures decided by the Vontobel Sustainability Committee.</p>
1d	<p><b><i>Describe the content, frequency and resources allocated/used by the fund management company to inform investors about the ESG criteria taken into account.</i></b></p> <p>The ESG criteria of the Funds are primarily principles based on an assessment of the key environmental, social, and governance risks and opportunities within each sector, with very few automatic exclusions (described in our response to question 2a). If there were significant changes to the process or to the hard exclusions around production of tobacco or weapons this would be communicated to investors by letter. The investment process is described in the respective product presentations. The presentations are updated monthly and can be requested at <a href="https://www.vontobel.com/CH/EN/Contact-Asset-Management">https://www.vontobel.com/CH/EN/Contact-Asset-Management</a>.</p> <p>Information on changes to portfolio holdings and the reasons for doing so, whether ESG related or not, are available upon request. Vontobel's sustainability research is internal buy-side research and not provided to third parties or published. Sample sector papers can be requested at <a href="https://www.vontobel.com/CH/EN/Contact-Asset-Management">https://www.vontobel.com/CH/EN/Contact-Asset-Management</a>.</p>

	<b>The SRI fund(s)</b>				
1e	<b>Provide the name of the fund(s) to which this code applies, and its (their) main characteristics.</b>				
	<b>Vontobel Fund - mtX Sustainable Global Leaders</b>				
	ISIN	Share class	Type	Distribution / Capitalisation	Currency
	LU0848325709	N	RETAIL	Cap	USD
	LU1179465684	HN (hedged)	RETAIL	Cap	EUR
	LU1179465338	HN (hedged)	RETAIL	Cap	GBP
	LU0848326269	H (hedged)	RETAIL	Cap	EUR
	LU0848326186	H (hedged)	RETAIL	Cap	CHF
	LU0848325378	B	RETAIL	Cap	USD
	LU0848325295	A	RETAIL	Dist	USD
	LU0848325618	I	INSTITUTIONAL	Cap	USD
	LU0848326855	HI (hedged)	INSTITUTIONAL	Cap	EUR
	LU0848326772	HI (hedged)	INSTITUTIONAL	Cap	CHF
LU1275269824	AHI (hedged)	INSTITUTIONAL	Dist	EUR	
<b>Vontobel Fund - mtX Sustainable Asian Leaders (Ex Japan)</b>					
ISIN	Share class	Type	Distribution / Capitalisation	Currency	
LU0384409180	A	RETAIL	Dist	USD	
LU0384409693	H (hedged)	RETAIL	Cap	EUR	
LU0384409263	B	RETAIL	Cap	USD	
LU0384410279	I	INSTITUTIONAL	Cap	USD	
LU0384409933	HI (hedged)	INSTITUTIONAL	Cap	EUR	
<b>Vontobel Fund - mtX Sustainable Emerging Markets Leaders</b>					
ISIN	Share class	Type	Distribution / Capitalisation	Currency	
LU0571085413	B	RETAIL	Cap	USD	
LU0571085330	A	RETAIL	Dist	USD	
LU0571085686	I	INSTITUTIONAL	Cap	USD	
Please see our response to question 1c for more details and appendix 2 for portfolio holdings as of June 30, 2016.					
The Sustainable Swiss Equity Fund is covered under a separate submission (German language only).					
Further information regarding the funds is available at <a href="https://www.vontobel.com/CH/EN/Asset-Management-Products-Vontobel-funds">https://www.vontobel.com/CH/EN/Asset-Management-Products-Vontobel-funds</a> .					
1f	<b>What is (are) this (these) fund(s) trying to achieve through taking into account ESG criteria?</b>				
Through our range of innovative, sustainable investment products, we enable clients to invest in future-oriented companies and achieve a financial return while contributing to sustainable development. The focus here is on assessing ESG risks and opportunities while encouraging companies to improve their sustainability performance through an active dialogue on critical issues.					

**Section 2. Approach to ESG Evaluation of Companies**

**What fundamental principles underlie the ESG research methodology?**

Consideration of ESG issues is fully integrated into company evaluation: Vontobel's sector specialist analysts synthesise their own analysis with inputs from external sustainability specialists and the ESG Investment Committee to form a view on the issues that are most likely to impact the investment case of a company.

A Minimum Standard Framework (MSF) informs this decision making process adding consistency and discipline to a subjective area. The diagram below shows an example MSF. A minimum score of five on a scale from zero to ten is required for a company to be eligible for the portfolio.

The team's approach does not automatically exclude any companies or sectors, but there are a limited number of exceptions to this, where ESG filtering criteria is applied, such as excluding companies involved in the manufacture of cluster bombs and land mines, tobacco, or where nuclear exposure represents more than 20% of a utility's activity. These exceptions are determined on a sector by sector basis in the relevant sector sustainability paper, and are updated when appropriate.

Minimum Standards Framework (consumer staples sector example)

2a

Minimum Standards Framework		
9 critical ESG factors, each scored from 0-10		
Environment	Social	Governance
<b>Environment Management System</b> <ul style="list-style-type: none"> <li>Environmental Management System in place</li> <li>Certification</li> </ul>	<b>Employee relations</b> <ul style="list-style-type: none"> <li>Fair compensation</li> <li>Training, health &amp; safety</li> <li>Equality of recruitment</li> </ul>	<b>Board efficiency</b> <ul style="list-style-type: none"> <li>Independent diversified board</li> <li>Separation of CEO and Chair</li> <li>Independent auditors</li> </ul>
<b>Eco-efficient operations</b> <ul style="list-style-type: none"> <li>Emissions and water use disclosure</li> <li>Waste &amp; resource use policies</li> <li>Progress in efficiency</li> </ul>	<b>Social &amp; economic development</b> <ul style="list-style-type: none"> <li>Code of conduct</li> <li>Ethical policy</li> <li>Human rights</li> </ul>	<b>Shareholder rights</b> <ul style="list-style-type: none"> <li>One share one vote</li> <li>No controlling shareholder</li> <li>No anti-takeover defenses</li> </ul>
<b>Product stewardship</b> <ul style="list-style-type: none"> <li>Use of life cycle assessment</li> <li>Ecological impact of products</li> <li>Packaging reduction and recycling</li> </ul>	<b>Supply chain</b> <ul style="list-style-type: none"> <li>Responsible marketing</li> <li>Health and content claims, labelling</li> <li>Supplier monitoring</li> </ul>	<b>Executive remuneration</b> <ul style="list-style-type: none"> <li>Independent remuneration committee</li> <li>Transparent remuneration</li> <li>Dilution potential due to options</li> </ul>
Average 'E' score	Average 'S' score	Average 'G' score
Average ESG Score >5 to be investable		

**What internal and external resources are used to carry out this research?**

Vontobel uses both an in-house research team and experienced, specialised external research partners. The Global Thematic Equity team currently comprises 18 people who are directly involved with research, analysis, and portfolio management of sustainable investments. An organisational chart is shown in appendix 1.

2b

At Vontobel, it is the financial analysts who assess the sustainability of a company. In a monthly Sustainability Meeting, financial analysts, portfolio managers and corporate sustainability management regularly discuss different sustainability aspects such as: important developments in the sustainable investment domain, controversial aspects regarding investee companies and decisions about taking part in collaborative engagements with other investors.

	<p>Analysts use external sustainability reports and ratings as the basis for their assessment.</p> <p>Following an internal due diligence process in 2011 to select the providers that best meet our needs, Vontobel uses information from the following external research partners:</p> <ul style="list-style-type: none"> <li>- GMI Analyst, a service of MSCI ESG Research, the world's largest provider of ESG research, covering more than 600 equity issuers, 350'000 fixed income securities and 21,000 funds/ETFs (<a href="http://www.msci.com">www.msci.com</a>)</li> <li>- Vigeo, a European research organisation specialised in the assessment of companies and organisations with regard to their practices and performance on ESG issues providing global research (<a href="http://www.vigeo.com">www.vigeo.com</a>)</li> <li>- Hermes EOS, a company which specialises in exercising voting rights and promoting sustainability issues and provides useful information for analysis (<a href="http://www.hermes.co.uk/eos">www.hermes.co.uk/eos</a>)</li> <li>- Numerous brokers with specialised sustainability teams and sector research on specific topics notably Goldman Sachs, Citigroup, UBS, Unicredit, HSBC, etc.</li> </ul>
<p>2c</p>	<p><b>Which ESG analysis criteria are used?</b></p> <p>The sector-specific minimum ESG standards comprise the following general areas, though they are customised to reflect each sector's specific characteristics:</p> <p><u>Environmental:</u></p> <ul style="list-style-type: none"> <li>▪ Effective environmental management system with clear responsibilities, targets and regular monitoring</li> <li>▪ Improvement in environmental performance at operational level (increase in eco efficiency)</li> <li>▪ Optimisation of products based on environmental considerations</li> </ul> <p><u>Social:</u></p> <ul style="list-style-type: none"> <li>▪ Good conditions for employees including health and safety systems and anti-discriminatory measures</li> <li>▪ Contribution towards economic and social development through prevention of corruption and support for projects</li> <li>▪ Sustainability standards for suppliers and constant monitoring</li> </ul> <p><u>Governance:</u></p> <ul style="list-style-type: none"> <li>▪ Independent Board of Directors with committees for key areas</li> <li>▪ Structure and equality of shareholders</li> <li>▪ Transparency regarding compensation and long-term incentives</li> </ul> <p>There are also a limited number of ESG filtering criteria, currently including exclusion of:</p> <ul style="list-style-type: none"> <li>▪ Companies involved in the manufacture of cluster bombs and land mines</li> <li>▪ Companies involved in production of tobacco products</li> <li>▪ Companies involved in production of arms, where it accounts for a significant share of sales</li> <li>▪ Utility companies with more 20% nuclear exposure</li> </ul> <p>Clear criteria and standards have also been defined for other controversial issues such as alcohol, gambling and genetic engineering in agriculture. We will only invest in companies active in these fields, when they fulfil the criteria defined in our sector paper and we consider the total risk as manageable.</p>
<p>2d</p>	<p><b>What is your ESG analysis and evaluation methodology?</b></p> <p>The initial investment universe for each fund is the relevant MSCI benchmark index (MSCI World, MSCI Emerging Markets, MSCI Asia ex Japan). To reduce the universe to a manageable size for research, it is first filtered to identify all companies that are in the top quartile in terms of cash flow generation (defined as ROIC) and industry positioning.</p>

	<p>Fundamental research is then undertaken by the sector specialist analysts. During this process they identify relevant ESG issues and, if the investment idea looks promising, they also carry out a detailed ESG evaluation. This has the advantage that analysts' limited resources are focussed on a few, financially interesting companies.</p> <p>As described in our response to question 2a, a Minimum Standard Framework informs the ESG evaluation. Companies are assessed on the criteria described in question 2c, and a minimum overall average score of five on a scale from 0 to 10 is required for a company to be eligible for the portfolio. The weighting of the three areas, E, S, and G, is sector specific. Each of the nine areas is individually assessed on a scale of 0 to 10 and an overall average score calculated.</p> <p>Controversial cases are discussed at a regular sustainability meeting between financial analysts, sustainability specialists, corporate sustainability management and portfolio managers to reach a consensus.</p> <p><u>ESG criteria definition:</u></p> <p>Vontobel has defined its ESG criteria as the result of an extensive discussion. The starting point for the discussion were international standards such as Global Compact, OECD Guidelines for Multinationals, Global Reporting Initiative and sector specific initiatives. A team of financial and sustainability analysts discussed the risks and opportunities arising from global sustainability trends for numerous companies and came up with minimum ESG standards for each sector. Procedures for dealing with controversial issues were also decided on. Furthermore, key questions for financial analysts to address to companies were drawn up.</p> <p>Vontobel also conducts regular talks with various interest groups regarding sustainability issues as well as the pros and cons of various research methods in order to grasp the risks and opportunities in the best possible way. Stakeholder groups include companies, clients, NGOs and brokers.</p>
2e	<p><b>How frequently is the ESG evaluation reviewed?</b></p> <p>The internal research process is reviewed on a continuous or at least on an annual basis. The ESG criteria are discussed at regular sustainability meetings involving both financial analysts and corporate sustainability management. Sector papers are adjusted periodically to reflect ongoing developments. Minimum ESG standards are also updated where necessary as part of the process.</p> <p>Together with the ESG Investment Committee, the processes of Vontobels' external research partners are reviewed according to the reviewing cycles and processes of the respective research partners, usually on an annual basis.</p>

	<p><b>Section 3. Fund Management Process</b></p>
3a	<p><b>How do you take into account ESG criteria when defining the universe of eligible investments ?</b></p> <p>As described in our response to question 2d, all companies in the eligible investment universe must meet both financial criteria and exceed the minimum ESG standards defined for the fund.</p> <p>Approximately 10-15% of the investment cases are rejected because these companies do not meet our ESG minimum standards.</p>

3b	<p><b>How do you take ESG criteria into account into the portfolio construction?</b></p> <p>Portfolio managers may only select investments that meet the minimum ESG criteria for the fund. Where the analyst has identified a significant ESG risk that impacts the investment case, this will have been factored into the assessment of risk and possibly the price target for the investment. These elements inform the portfolio manager's weighting decisions within the portfolio. There is not a direct link between the ESG score and the weighting in the portfolio, this is at the portfolio manager's discretion.</p> <p>Companies with a Minimum Standards Framework score below 5 are removed from the investment universe, and, if they are held in a portfolio, must be divested within three months.</p> <p>Information on changes to portfolio holdings and the reasons for doing so, whether ESG related or not, is available on demand and can be requested at <a href="https://www.vontobel.com/CH/EN/Contact-Asset-Management">https://www.vontobel.com/CH/EN/Contact-Asset-Management</a>.</p>
3c	<p><b>Does (do) the fund(s) have a specific ESG engagement policy?</b></p> <p>Yes.</p> <p><b><i>Please explain what you mean by engagement.</i></b></p> <p>To us, engagement is any constructive communication with companies where we use our status as equity owners to encourage them to improve their performance. Vontobel is convinced that a better sustainability performance will contribute towards long-term business success. This includes the reduction of emissions from the companies' products and production processes, improved working standards at companies and their suppliers, an independent and capable board, and equal treatment of all shareholders.</p> <p><b><i>Describe how you select the companies/themes for engagement activities and the impact on the portfolio management of the fund(s).</i></b></p> <p>With our engagement partner, Hermes EOS, we defined key commitment issues. Our engagement is directed towards companies which show room for improvement in certain areas. If there is the need to raise an issue with a company, we approach our engagement partner and request them to take action. Hermes provides us with background information on the engagement activities it undertakes on behalf of its clients and this information is a further input into fundamental and ESG analysis.</p> <p><b><i>Who undertakes engagement on behalf of the fund (internal and/or service providers)?</i></b></p> <p>Most engagement activities are exercised through our partner Hermes EOS. When analysts have the opportunity to talk to management, they raise points which we think are critical. If Vontobel participates in a "Collaborative Engagement", contact is made by the organisation in charge of the engagement.</p>
3d	<p><b>Does (do) the fund(s) have a specific voting policy integrating ESG criteria?</b></p> <p>Yes. Together with Hermes EOS Vontobel drew up a voting policy for its Sustainable Funds based on environmental, social and governance criteria based on the "Hermes Responsible Ownership Principles". These principles are available online under the following link:</p> <p><a href="https://www.vontobel.com/CH/Download?Source=AssetStore&amp;Id=5b649e02-d18a-4834-ab6f-828f79016768&amp;Filename=The_Hermes_Ownership_Principles_EU.pdf">https://www.vontobel.com/CH/Download?Source=AssetStore&amp;Id=5b649e02-d18a-4834-ab6f-828f79016768&amp;Filename=The_Hermes_Ownership_Principles_EU.pdf</a>.</p>
3e	<p><b>Does (do) the fund(s) engage in securities lending activities?</b></p> <p>No.</p>

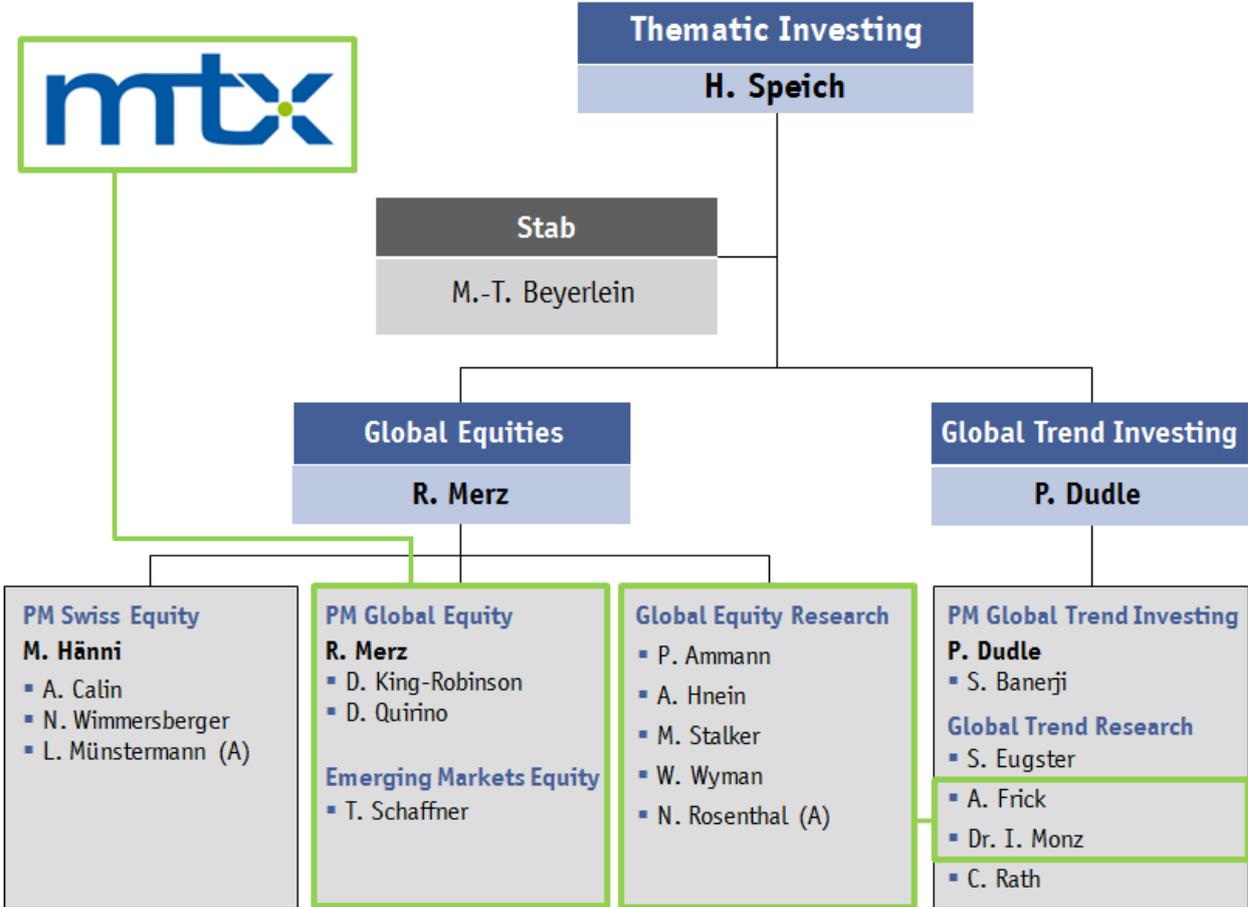
3f	<p><b>Does (do) the fund(s) use derivative instruments?</b></p> <p>Yes. The portfolio manager is permitted to make use of stock option strategies such as covered call writing or protective puts, and equity futures, to facilitate hedging against macro-economic trends or yield enhancement. Derivative contracts will always be covered with liquid assets or securities, with 2 weeks to 6 months maturity.</p> <p>The derivate exposure (UCITS Global Exposure) of the fund's may not exceed the following values:</p> <ul style="list-style-type: none"> <li>▪ mtX Sustainable Global Leaders: 33%</li> <li>▪ mtX Sustainable Asian Leaders (Ex Japan): 20%</li> <li>▪ mtX Sustainable Emerging Markets Leaders: 20%</li> </ul> <p>Please note that the values stated above are theoretical limits prescribed in the fund's prospectus. Effectively, the derivative exposure is much lower than that. Derivative exposure does not have any influence on the sustainability rating.</p>
3g	<p><b>Is a share of the fund(s) invested in unlisted entities pursuing strong social goals?</b></p> <p>No.</p>

<b>Section 4. Controls and ESG Reporting</b>	
4a	<p><b>What internal/external control procedures are in place to ensure the compliance of the portfolio with the ESG rules defined in section 3 of this Code?</b></p> <p>A list of non-investable companies is updated on a regular basis. Companies which do not fulfil the sustainability criteria are not permitted to be invested. The financial analysts are responsible for the ESG evaluation and portfolio managers would not invest in any company without consulting the relevant sector analyst.</p> <p><b><i>State who is carrying out the controls, their frequency and within which timeframe the fund(s) have to comply should a breach be detected.</i></b></p> <p>The financial analysts closely monitor all companies in the Sustainability Funds or are being considered for the Funds on an ongoing basis. Companies are reassessed as soon as something changes drastically. If a breach were to occur it would be corrected immediately, but the most common scenario is that a company previously believed to meet the criteria no longer meets them. In this case, the stock is sold within three months.</p>
4b	<p><b>Please list all public media and documents used to inform investors about the SRI approach to the fund, and include URLs.</b></p> <p>Information on Vontobel's sustainability strategy including Corporate Social Responsibility policy, sustainability report, voting and engagement policies, etc. can be found at <a href="https://www.vontobel.com/CH/EN/Vontobel-Group-Sustainability">https://www.vontobel.com/CH/EN/Vontobel-Group-Sustainability</a></p> <p>A list of holdings for each fund can be found in appendix 2 to this document.</p> <p>Further information regarding the funds can be found on our website at <a href="https://www.vontobel.com/CH/EN/Asset-Management-Products-Vontobel-funds">https://www.vontobel.com/CH/EN/Asset-Management-Products-Vontobel-funds</a>.</p> <p>Vontobel also offers brochures, prospectuses, and sustainability reports which can be requested at <a href="https://www.vontobel.com/CH/EN/Contact-Asset-Management">https://www.vontobel.com/CH/EN/Contact-Asset-Management</a>.</p>

<b>Section 5. Additional</b>	
5	<p><b>If applicable, specify what the amount of donations and the percentage of management fees that the fund gave to charities in the last year.</b></p> <p>N/A</p>

**Appendix 1: Global Thematic Equities organisational chart (as of 1 July 2016)**

Three Global Equities portfolio managers and seven equity researchers are directly involved in the research, analysis, and portfolio management of the three sustainable funds covered by this questionnaire (information as of 1st July 2016).



**Appendix 2: Portfolio holdings as of 29.07.2016**

<b>Vontobel Fund - mtX Sustainable Global Leaders</b>		
Holdings as of 29.07.2016		
<b>ISIN</b>	<b>Security</b>	<b>Country</b>
US1266501006	CVS Caremark Corp	USA
US4180561072	Hasbro Inc Shs	USA
SG9999014823	Broadcom Ltd	Singapore
JE00B2QKY057	Shire Plc Shs	United Kingdom
DK0060252690	Pandora	Denmark
DE0007236101	Siemens AG Shs	Germany
US8873173038	Time Warner Shs	USA
DK0060534915	Novo Nordisk A/S	Denmark
US1510201049	Celgene Corp Shs	USA
US09062X1037	Biogen Idec Inc Shs	USA
IE00B4Q5ZN47	Jazz Pharmaceuticals Plc	USA
US30303M1027	Facebook -A-	USA
US2987361092	Euronet Worldwide Inc	USA
DE0007164600	SAP	Germany
US5779331041	Maximus Shs	USA
DE0005439004	Continental AG Ia	Germany
HK2388011192	Boc Hong Kong (Holding) Shs	Hong Kong
US09247X1019	Blackrock Inc Shs	USA
US6536561086	Nice Systems Ltd -Adr-	Israel
JP3830800003	Bridgestone Corp Shs	Japan
US1924461023	Cognizant Technology -A-	USA
CA3759161035	Gildan Activewear Inc	Canada
DE0005089031	United Internet AG & Co	Germany
NL0000379121	Randstad Holding Nv Shs	Netherlands
US0378331005	Apple Inc Shs	USA
US6153691059	Moody'S Corp Shs	USA
US48020Q1076	Jones Lang Lasalle Inc	USA
JP3305960001	COLOPL Inc	Japan
US3755581036	Gilead Sciences Inc Shs	USA
GB0006825383	Persimmon Plc Shs	United Kingdom
GB00B02L3W35	Berkeley Group Hldgs Plc Shs	United Kingdom
US8330341012	Snap-On Inc Shs	USA
FR0000125346	Ingenico Shs	France

<b>Vontobel Fund - mtX Sustainable Emerging Markets Leaders</b>		
Holdings as of 29.07.2016		
<b>ISIN</b>	<b>Security</b>	<b>Country</b>
US8740391003	Taiwan Semiconductor	Taiwan
US7960508882	Samsung Electronic -Gdr-	South Korea
US64110W1027	Netease.Com -Adr-	China
KYG875721634	Tencent Holdings Ltd	China
INE528G01019	Yes Bank Ltd	India
HK0688002218	China Overseas Land & Inv Shs	China
HK2388011192	Boc Hong Kong (Holding) Shs	Hong Kong
SG9999014823	Broadcom Ltd	Singapore
BRKROTACNOR9	Kroton Educacional SA	Brazil
KYG8586D1097	Sunny Optical Technology (Group) Co Ltd	China
TW0003008009	LARGAN Precision Co Ltd	Taiwan
CNE1000004X4	Zhuzhou Csr Times Electric	China
US3444191064	Fomento Economico Mexicano Adr	Mexico
HK0270001396	Guangdong Investment Ltd	China
KYG2953R1149	AAC Technologies Holdings Inc	China
VGG456671053	Hollysys Automation Tech	China
US6536561086	Nice Systems Ltd -Adr-	Israel
CH0327211204	UBS London Call Wts Hangzhou Hikv-A-	China
KYG040111059	Anta Sports Products Ltd	China
US1924461023	Cognizant Technology -A-	USA
CNE1000003G1	Ind & Com Boc -H-Shs	China
CNE000000PY4	Zhengzhou Yutong Bus Co Ltd	China
HK0992009065	Lenovo Group Ltd Akt	China
KYG2108Y1052	China Resources Land Shs	China
CNE100000593	Picc Property And Casualty	Hong Kong
CNE100001SR9	China Vanke Co Ltd	China
BMG8219Z1059	Smartone Telecomm Holdings Shs	Bermuda
BRPSSAACNOR7	Porto Seguro Nm Shs	Brazil
CNE1000002H1	China Construct -H- Shs	China
INE158A01026	Hero Honda Motors Ltd Shs	India
CNE100000X44	Chongqing Rural Commercial Bank Co Ltd	China
KR7078340007	Com2uS Corp	South Korea
CH0295942012	UBS London Call Wts Zz Yutong Bus -A-	China
CH0308157665	UBS London Call Wts Dong-E-E-Jiao -A-	China
ZAE000190252	Redefine Properties Ltd	South Africa
BMG1368B1028	Brilliance China Auto	China
INE860A01027	Hcl Technologies Ltd	India
TW0002330008	Taiwan Semiconductor	Taiwan
TW0003658001	Hermes Microvision Inc	Taiwan
TH0878010Y18	Pruksa Real Estate Public Company Ltd	Thailand
US40053W1018	Grupo Aval Acciones y Valores Grupo ADR	Colombia

<b>Vontobel Fund - mtx Sustainable Asian Leaders</b>		
Holdings as of 29.07.2016		
<b>ISIN</b>	<b>Security</b>	<b>Country</b>
US7960508882	Samsung Electronic -Gdr-	South Korea
US64110W1027	Netease.Com -Adr-	China
KYG875721634	Tencent Holdings Ltd	China
INE528G01019	Yes Bank Ltd	India
US8740391003	Taiwan Semiconductor	Taiwan
HK0688002218	China Overseas Land & Inv Shs	China
KYG8586D1097	Sunny Optical Technology (Group) Co Ltd	China
TW0002330008	Taiwan Semiconductor	Taiwan
HK0270001396	Guangdong Investment Ltd	China
CNE000000PY4	Zhengzhou Yutong Bus Co Ltd	China
SG9999014823	Broadcom Ltd	Singapore
HK2388011192	Boc Hong Kong (Holding) Shs	Hong Kong
CNE100000593	Picc Property And Casualty	Hong Kong
CNE1000003X6	Ping An Insurance -H- Shs	China
TW0003008009	LARGAN Precision Co Ltd	Taiwan
VGG456671053	Hollysys Automation Tech	China
KYG2953R1149	AAC Technologies Holdings Inc	China
CNE1000004X4	Zhuzhou Csr Times Electric	China
CH0327211204	UBS London Call Wts Hangzhou Hikv-A-	China
KR7078340007	Com2uS Corp	South Korea
BMG1368B1028	Brilliance China Auto	China
US1924461023	Cognizant Technology -A-	USA
CNE100001SR9	China Vanke Co Ltd	China
KYG2108Y1052	China Resources Land Shs	China
INE158A01026	Hero Honda Motors Ltd Shs	India
US6475811070	New Orient Educ & Tech -Adr-	China
CNE100000X44	Chongqing Rural Commercial Bank Co Ltd	China
CH0295942012	UBS London Call Wts Zz Yutong Bus -A-	China
CNE100000338	Great Wall Motor Co Ltd	China
US0567521085	Baidu Inc -Adr-	China
KYG040111059	Anta Sports Products Ltd	China
CNE1000002H1	China Construct -H- Shs	China
CH0308157665	UBS London Call Wts Dong-E-E-Jiao -A-	China
CNE1000003G1	Ind & Com Boc -H-Shs	China
HK0992009065	Lenovo Group Ltd Akt	China
INE860A01027	Hcl Technologies Ltd	India
TW0003658001	Hermes Microvision Inc	Taiwan
BMG8219Z1059	Smartone Telecomm Holdings Shs	Bermuda
TH0878010Y18	Pruksa Real Estate Public Company Ltd	Thailand

## **Definitions of key terms used in the Code**

<b>Term</b>	<b>Definition</b>
Divestments	Companies that are sold from the fund portfolio.
ESG	Environment, Social and Governance
Engagement	A long-term process of dialogue with companies by investors who seek to positively influence company behaviour in relation to their social, ethical, governance and environmental practices. This includes voting at AGMs, filing or co-filing shareholder proposals, asking questions at AGMs, collaborative engagement initiatives, individual company contact and dialogue with policy makers and industry organisations.
Exclusion	The exclusion of sectors or companies from a fund if involved in certain activities based on specific ESG criteria.
Fund manager	The entity responsible for overall management of the fund.
Fund(s)	A legal entity, the purpose of which is solely the acquisition of portfolio investments. This also includes compartments and sub-funds.
Fund Purpose	The spirit and overall focus of the fund, but not the investment criteria employed.
Holdings	Equities and/or bonds of companies that collectively comprise the fund portfolio.
Portfolio	A collection of investments managed by the fund manager.
Signatories	Fund(s) and/or fund manager that commits to disclose SRI information in line with the Code.
SRI	SRI, a generic term covering sustainable, responsible, ethical, environmental, social investments and any other investment process that integrates financial analysis with the influence of environmental, social and governance (ESG) issues. It includes an explicit written policy to make use of ESG criteria.
Voting Policy	Policy of a fund to exercise its voting rights as investors to influence company behaviour.

## About Eurosif

EUROSIF, the European Sustainable Investment Forum, is the pan European network whose mission is to address sustainability through the financial markets. Eurosif works as a partnership of the national Sustainable Investment Forums (SIFs) within the EU and with the support and involvement of Member Affiliates. Recognised as the premier European forum for sustainable investment, Eurosif's Member Affiliates are drawn from leading pension funds, asset managers, NGO's, trade unions, academic institutes and research providers, together representing assets totalling over €1 trillion. Eurosif's work includes a focus across asset classes - equity and fixed income markets, microfinance, renewable energy, property, private equity and hedge funds - all centred around the industry trends and future legislation affecting this space. The key benefits that Eurosif affiliate members receive include EU interfacing, SRI information and European wide initiatives that integrate Environmental, Social and Governance (ESG) issues into the financial services sector. For the full list of Eurosif Member Affiliates, please see [www.eurosif.org](http://www.eurosif.org).

National social/sustainable investment forum to date include:

- Dansif, Denmark
- FNG – The German, Austrian and Swiss Sustainable Investment Forum
- Forum per la Finanza Sostenibile, Italy
- Forum pour l'Investissement Responsable, France
- Norsif, Norway
- Spainsif, Spain
- Swesif, Sweden
- UKSIF, UK
- VBDO (Vereniging van Beleggers voor Duurzame Ontwikkeling), The Netherlands

For further information contact Eurosif at +32 2 743-2947 or by email at [contact@eurosif.org](mailto:contact@eurosif.org).

Additionally, feel free to see the most updated information on the Transparency Code at [www.eurosif.org](http://www.eurosif.org).

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