

## Vontobel Conviction (USD)

### Product information

#### Your objective

You are seeking established access to the financial markets and to specific investment themes so that you can profit from steady growth of your assets over the long term. To do this, you want to delegate the management of your assets to an expert who will manage your portfolio in accordance with your requirements and goals. The ideal solution should be broadly diversified and the risks actively monitored.

#### Your solution: Vontobel Conviction

The Vontobel Conviction Mandate offers you a global portfolio that invests in specific investment themes with high conviction. In equities, we focus on quality stocks with high market potential. In addition we invest in topics such as economic changes and trends. It assures that you always have commitments linked to the most attractive current and future investment themes. The implementation is effected through investments in active funds managed by the world's leading fund managers. The basis is a robust portfolio in bond and equity markets, which is supplemented by real estate and gold, and is continuously reviewed. Based upon our institutional competences and a proven investment process, we always manage your portfolio in a disciplined manner and monitor it on an on-going basis.

#### ESG strategies<sup>1</sup>

##### For clients domiciled outside the EU or EEA

The mandate is available with ESG criteria of varying degrees of strictness taken into account.

The ESG strategy **Risk-adjusted performance** is a minimum standard at Vontobel regarding how we take ESG criteria into account. For the selection of the instruments, the Portfolio Manager considers the following criteria:

- Management of ESG risks
- Participation in transactions with controversial weapons
- Compliance with international standards in the areas of labor law and human rights

For the ESG strategy **Mitigation of negative effects**, the Portfolio Manager considers the following additional criteria for the selection of the investment instruments:

- Participation in transactions involving conventional weapons
- Participation in transactions involving tobacco
- Participation in transactions involving thermal coal
- Participation in transactions involving fossil fuels
- Carbon footprint
- Alignment to Paris climate targets

Further information can be found on our website: [vontobel.com/wm-esg-pref](https://vontobel.com/wm-esg-pref).

##### For clients domiciled within the EU or the EEA

Clients domiciled within the EU or EEA have the opportunity to choose sustainability preferences in accordance with Delegated Regulation (EU) 2017 / 565. Depending on the sustainability preferences chosen, implementation occurs through the **Risk-adjusted performance** or **Mitigation of negative effects** ESG strategy.

<sup>1</sup> The ESG strategy corresponds to the ESG preference chosen by the client. The ESG preferences for clients domiciled outside the EU or EEA are defined in the brochure "Sustainable Investing Based on Your ESG Preferences." For clients domiciled within the EU or EEA, this corresponds to the "sustainability preferences" according to the respective options for these clients as described in the brochure "Sustainable Investing Within the New EU Regulatory Framework." For clients domiciled in the EU or EEA, any reference to ESG preferences in this product information serves as a reference to the sustainability preferences described in the brochure "Sustainable Investing Within the New EU Regulatory Framework."

### Vontobel Conviction mandate with the “Risk-adjusted performance” ESG strategy

Due to the broad diversification of the mandate, sustainability risks are classified as having a slightly negative impact on the value of the funds’ investments. To ensure access to the largest possible investment universe, we do not apply any ESG-specific restrictions (within the meaning of Delegated Regulation (EU) 2017 / 565).

The most important negative impacts of investment decisions on sustainability factors are not taken into account in this ESG strategy (Art. 7 (2) of Regulation (EU) 2019 / 2088), as the quantity and quality of the data on the assets underlying this investment strategy are currently insufficient. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### Vontobel Conviction mandate with the “Mitigation of negative effects” ESG strategy

If sustainability, social responsibility and ethics are important to you, the Vontobel Conviction mandate with the **Mitigation of negative effects** ESG strategy is a compelling choice. While the Vontobel Conviction mandate already includes stringent requirements in terms of quality, this strategy allows you to add a series of sustainability criteria. As a result, corporate governance, social and environmental aspects are taken into consideration when choosing the investments to be taken into account. Alternative investments (precious metals, commodities, real estate and hedge funds) are generally not included.

### Adverse impacts of investment decisions on sustainability factors taken into account in the Vontobel Conviction mandate with the “Mitigation of negative effects” ESG strategy

Adverse impacts of investment decisions on sustainability factors are partially taken into account in this mandate (Art. 7 (2) of Regulation (EU) 2019/2088). The quantity and quality of the data on the assets underlying this investment strategy are currently only partially sufficient. Of the factors listed in Appendix 18, only the following are taken into account from the template for the “Statement on principal adverse impacts of investment decisions on sustainability factors” (Annex I to Delegated Regulation (EU) 2022/1288):

10: Violations of UNGC principles and Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises

14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Information on the ecological or social characteristics of the ESG strategy **Mitigation of negative effects** of the Vontobel Conviction mandate can be found in the “Pre-contractual information” document for the financial products mentioned in Article 8 (1), (2) and (2a) of Regulation (EU) 2019 / 2088 and Article 6 (1) of Regulation (EU) 2020 / 852.

Further information can be found on our website: [vontobel.com/sfdr-wm](http://vontobel.com/sfdr-wm).

### Product description

Product	Discretionary investment solution with proven access to global financial markets and specific investment themes
Investment strategy	Conservative, balanced, growth
Investment currencies	CHF, EUR, USD, GBP <sup>2</sup>
Minimum investment	CHF 250,000 or equivalent in foreign currency
Investment universe	Globally diversified in cash, bonds, equities and alternative investments <sup>3</sup>
Restrictions	Alternative investments: on/off
Foreign currency	Depending on the investment strategy
Fee model	Flat rate model
Variant for UK residents	For non-domiciled UK resident (UK RND) clients: Dedicated version of the Vontobel Conviction Mandate is available for the balanced strategy in USD and GBP <sup>4</sup>

### Product specifications

- Robust portfolio that invests in the global bond and equity markets, complemented by real estate and gold
- Use of proprietary investment products<sup>5</sup>
- Use of specific investment themes with “high conviction” through quality equity strategies and attractive investment topics
- Use of independent, in-house research capabilities
- Use of a proven and active investment process
- Continuous monitoring and active risk management of the portfolio

<sup>2</sup> Only available for the ESG strategy “Mitigation of negative effects” in CHF, EUR and USD.

<sup>3</sup> In principle, alternative investments are not used for conservative, balanced or growth investment strategies for the “Mitigation of negative effects” ESG strategy. The relevant portion of the portfolio is invested in other asset classes at the discretion of the bank.

<sup>4</sup> The key differentiators of this variant are that income generated from UK situs is avoided and that only distributing fund share classes with reporting status are chosen. Holdings in the mandate are chosen accordingly.

<sup>5</sup> Variant for UK residents: For the UK RND variant, proprietary investment products are used on a best-effort basis and may be temporarily substituted with other funds.

**Opportunities**

- Broad diversification across numerous securities
- Potential for additional income by analyzing individual securities and through active management
- Possible profits on invested capital
- The use of derivatives for hedging purposes may improve performance and income
- Investing in bonds offers interest income and opportunities for capital gains when market returns decline
- Possible price increases applicable to investments based on market, sector and company developments
- Investments in foreign currencies may result in currency gains
- Possible benefits of investing in liquid money market instruments that are less sensitive to interest rates than bonds with longer maturities

**Risks**

- Limited participation in the potential of single securities
- Success of single security analysis and active management cannot be guaranteed
- It cannot be guaranteed that the investor will recover the capital invested
- Derivatives entail additional risks (including counterparty risks)
- The interest rate may fluctuate, bonds may drop in price when interest rates rise
- Price fluctuations of investments due to market-, industry- and issuer-linked changes are possible
- Exchange rate risk
- Investments in money market instruments are associated with money market risks such as interest rate fluctuation risk, inflation risk and the risk of economic instability

**Our investment strategies**

According to your risk profile and investment objectives, we offer you three predefined investment strategies for ESG strategies **Risk-adjusted performance** and **Mitigation of negative effects**, based on our Investment Committee's many years of expertise:

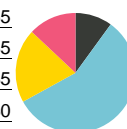
**Investment strategy: Conservative****INVESTMENT OBJECTIVES**

The aim is to achieve a steady development of the assets with a moderate growth rate by taking only minor risks with small fluctuations of the assets.

**RISK PROFILE**

LOW RISK				HIGHER RISK	
low	moderate	medium	increased	high	

ASSET CLASS (IN %)	MIN.	NEUTRAL	MAX.
Cash	0	10	55
Bonds	40	58	85
Equities	5	20	35
Alternative investments <sup>6</sup>	0	12	30
Foreign currencies	0	12	40

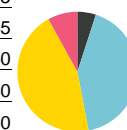
**Investment strategy: Balanced****INVESTMENT OBJECTIVES**

The aim is to achieve a long-term asset growth by taking moderate risks that are accompanied with medium asset fluctuations.

**RISK PROFILE**

LOW RISK				HIGHER RISK	
low	moderate	medium	increased	high	

ASSET CLASS (IN %)	MIN.	NEUTRAL	MAX.
Cash	0	5	55
Bonds	15	38	65
Equities	30	45	60
Alternative investments <sup>6</sup>	0	12	30
Foreign currencies	0	18	50

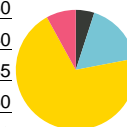
**Investment strategy: Growth****INVESTMENT OBJECTIVES**

The aim is to achieve long-term asset growth by taking portfolio risks that are accompanied with high fluctuations of the assets.

**RISK PROFILE**

LOW RISK				HIGHER RISK	
low	moderate	medium	increased	high	

ASSET CLASS (IN %)	MIN.	NEUTRAL	MAX.
Cash	0	5	60
Bonds	0	13	40
Equities	40	70	85
Alternative investments <sup>6</sup>	0	12	30
Foreign currencies	0	24	70



<sup>6</sup> In principle, alternative investments are not used for conservative, balanced or growth investment strategies for the "Mitigation of negative effects" ESG strategy. The relevant portion of the portfolio is invested in other asset classes at the discretion of the bank.

**Benchmark indices for the ESG strategy “Risk-adjusted performance” (in %)**

	CONSERVATIVE	BALANCED	GROWTH
<b>Cash</b>			
J.P. Morgan Cash Index USD 1 Month	10.0	5.0	5.0
<b>Bonds</b>			
Bloomberg Barclays US Government Bond Total Return Index Value Unhedged USD	12.5	8.0	2.0
Bloomberg Barclays USD Emerging Markets Sovereign Bond Index	4.0	2.5	1.0
Bloomberg Barclays EM Local Currency Core Net Ret Total Return	4.0	2.5	1.0
Bloomberg Barclays Global Aggregate Corporate Total Return Index (hedged USD)	30.0	20.0	7.0
Bloomberg Barclays Global High Yield Corporate Total Return Index (hedged USD)	7.5	5.0	2.0
<b>Equities</b>			
Swiss Performance Index	0.0	0.0	0.0
MSCI EMU Net Return	2.0	4.0	6.0
MSCI United Kingdom Net Return	1.0	2.0	3.0
S&P 500 Net Return	12.5	30.0	47.0
MSCI Pacific Net Return	2.0	4.0	6.0
MSCI Emerging Markets Net Return	2.5	5.0	8.0
MSCI ACWI Net Return	0.0	0.0	0.0
<b>Alternative investments<sup>7</sup></b>			
London Gold LBMA PM Fixing USD	2.0	2.0	2.0
Bloomberg Commodity Index 3 Month Forward Total Return	2.0	2.0	2.0
FTSE EPRA/NAREIT United States Net Return	3.0	3.0	3.0
HFRX Global Hedge Fund USD Index	5.0	5.0	5.0

**Benchmark indices for the ESG strategy “Mitigation of negative effects” (in %)**

	CONSERVATIVE	BALANCED	GROWTH
<b>Cash</b>			
J.P. Morgan Cash Index USD 1 Month	10.0	5.0	5.0
<b>Bonds</b>			
Bloomberg Barclays US Government Bond Total Return Index Value Unhedged USD	15.0	10.5	5.5
Bloomberg Barclays USD Emerging Markets Sovereign Bond Index	4.5	3.5	1.5
Bloomberg Barclays EM Local Currency Core Net Ret Total Return	4.5	3.5	1.5
Bloomberg Barclays Global Aggregate Corporate Total Return Index (hedged USD)	37.0	26.0	13.0
Bloomberg Barclays Global High Yield Corporate Total Return Index (hedged USD)	9.0	6.5	3.5
<b>Equities</b>			
SPI ESG Total Return Index	0.0	0.0	0.0
MSCI EMU ESG Leaders Net Return Index	2.0	4.0	6.0
MSCI UK ESG Leaders Net Return Index	1.0	2.0	3.0
MSCI USA ESG Leaders Net Return Index	12.5	30.0	47.0
MSCI Pacific ESG Leaders Net Return Index	2.0	4.0	6.0
MSCI Emerging Markets ESG Leaders Net Return Index	2.5	5.0	8.0
MSCI ACWI ESG Leaders Net Return Index	0.0	0.0	0.0

<sup>7</sup> In principle, alternative investments are not used for conservative, balanced or growth investment strategies for the “Mitigation of negative effects” ESG strategy. The relevant portion of the portfolio is invested in other asset classes at the discretion of the bank.

**Investment Suitability**

This publication is intended for general distribution. It is not part of any offer or recommendation and does not take into account your knowledge, experience and personal situation which is required for personal investment advice.

**Legal information**

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